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Berisha Greets Greek Minority Party Leader

AU1711081695 Tirana TVSH Television Network in Albanian 1900 GMT 16 Nov 95

[Announcer-read message from President Sali Berisha to Vasil Melo, Human Rights Union Party chairman, on the occasion of the party's first conference on 16 November]

[FBIS Translated Text] Mr. Chairman, I would like to express my best wishes to you and all the delegates at the first conference of your party, as well as my desire for its successful proceedings.

I am certain that, in the new democratic era created in Albania in recent years, your party will take the place it deserves. In its name, your party bears a fundamental concept and an essential principal of a just and human society, that of human rights. The dimension of human rights, such as that of the right of an individual, a group, or a minority, has known development and major expansion in the new Albanian democracy. In this direction, your party has rendered its invaluable contribution.

Again wishing you successes in your work, I greet you cordially.

Sali Berisha.

PBDNj Reelects Chairman

AU1711081495 Tirana TVSH Television Network in Albanian 1900 GMT 16 Nov 95

[FBIS Translated Text] At its first conference, held today, the Human Rights Union Party [PBDNj—Greek minority party] confirmed the political road followed so far and determined its future political line. Armir Shkurti has a report:

[Shkurti] The vote in July 1992 ranked us third, after the democrats and socialists, PBDNj Chairman Vasil Melo told the audience. Omonia [Greek minority organization] was not allowed in parliament, that is why we represented it, Melo continued, explaining that, apart from centrist viewpoints, one of the features of his party was to protect the fragile strata—minorities, Romanies, pensioners, invalids, and emigrants. Melo said that, while the Emigration Ministry has remained silent about our refugees, the PBDNj has asked Greek and Italian politicians to legalize the stays of Albanians who have found jobs and houses.

Chairman Melo noted that, alongside good relations with Europe and the United States, we should pay attention to the approach toward our neighbors. If, in the south, everything goes well with Greece, issues can be settled through peaceful means in the north. A dialogue should be started so that Kosova can be turned into an autonomous province with all rights, and that the Albanians in Kosova can feel free to enter Albania anytime.

Voices on the change of the Electoral Law obliged Melo to declare that he will not enter into alliances with other parties, on the condition that no changes are made to the Electoral Law. However, we will decide upon everything when the time comes, Melo declared.

The PBDNj also considers that many other laws are not good. As a matter of fact, the party considers the courts, justice, and even the president to be politicized, Melo stated. As a testimony to this, Melo brought up the issue of the draft constitution, which his party opposed in the referendum. According to Melo, this opposition prevented Berisha and the Democratic Party [PD] from imposing infringements on the people. The PBDNj conference demanded that parliament draft a new constitution in which the form of government would be clearly written: that Albania is a parliamentary republic.

Mr. Tomor Dosti [PD parliamentary group chairman], who took the floor, recalled the time when the PD and the PBDNj fought side by side against communism.

Mr. Namik Dokle [Socialist Party deputy chairman] recalled the time when the Socialist Party and the PBDNj fought side by side against the draft constitution.

Meanwhile, Skender Gjinushi [Social Democratic Party chairman] noted that both parties are spinning around the center, and there is 30-percent electoral support for both Gjinushi and Melo.

At the end of the conference proceedings, the PBDNJ Steering General Council and the new presidency were elected by secret ballot. Mr. Vasil Melo was reelected party chairman. Dhimiter Stefa, Bajram Cena, and Kristo Goxhi were elected deputy chairmen. Deputy Thoma Mico was elected as party secretary.

Report Analyzes, Predicts Gross National Product

AU1411084595 Tirana REPUBLIKA in Albanian 12 Nov 95 p 3

[Report by "E.M.": "The Labyrinth of the 1995 Gross National Product"]

[FBIS Translated Text] "Having emerged from the wasteland of 1989, the Albanians in 1995 have entered a dark tunnel with the hope of detecting a ray of light perhaps after 2005," a development report entitled "Albania 1996" states.

This conclusion takes as its basis Albania's gross national product [GNP] in 1994 of $179,900 for its population of 3.2 million.

GNP per person amounts to approximately $550, having risen by $93 since 1993.

However, if we analyze GNP in detail, a large proportion of it is handed back to the people in the form of state-financed medical care, a further portion through education, and still more in the form of other services. Social security receipts amount to 9 percent, and expenditures 40 percent.

There are significant contrasts in income per person between urban and rural areas and among regions. Many areas are below the European poverty line.

Foreign aid remains an important source of earnings for Albania, but one must underline that the fact that economic aid has not been predominant since 1993 confirms that Albania is embarking on capitalism. According to this study, development projects and technical aid have been more important since 1993, which has obliged the government to obtain its principal revenue from taxes, especially on profits, and from customs duty and excise. If the fiscal deficit in 1992 was a disaster, the state's budget revenues amounted to 28 percent of the GNP in 1994, and tax revenues accounted for 64 percent of budget income; this shows that a new capitalist class has been created in Albania, which is in economic control, and feels all-powerful in trade, despite its fragility in the investment field.

If we refer to figures, Albania is still a country where multilateral and bilateral aid is important. Between 1992 and 1994, the country received a total of $640.8 million in aid, $233.5 million of which arrived in 1993 and $203.6 million in 1994. Ten percent of this was food aid.

There was no food aid in 1995. Foreign aid in 1995 amounted to 20 percent of GNP.

What is most worrying in the field of economic policy is direct investment and the trade balance.

Direct private foreign investment has been very low, at about $46 million for 1994 and the same for 1995.

Comprehensive foreign investment legislation, lower regional tensions, and improving infrastructure (especially roads, telephone links, the electricity supply, and the banking system including the attitude to private banks) will change everything in the foreign investment field. The positive climate for foreign investment is no longer mere propaganda.

The chart of the state budget and the GNP will look different in comparison with 1994.

Five months remain on this chart until March 1996, when the balance will be struck. It is forecast that taxes will account for 42.9 percent of revenue under the state budget and foreign finance will account for 22.4 percent. If this indeed happens, it will be another step forward through the dark tunnel.

Prosecutor Considering Indicting Tamara Inventor

AU1611141895 Prague DENNI TELEGRAF in Czech 15 Nov 95 p 2

[Unattributed report: "Tamara's Inventor May Have Broken the Law"]

[FBIS Translated Text] Prague—According to Nova Television, the Pardubice state attorney is considering submitting a complaint against the inventor of the Tamara defense device, Vlastimil Pech, for violating military secrets. He considers this intention to be "absurd." Pech apparently cast doubt on Tamara's effectiveness after he was contacted by two U.S. journalists. Pech himself is well aware of his radar's Achilles' heel but is the only person who knows how to jam it. However, he does not intend to publicize any information on this. Tamara's deficiency is apparently located in its "receiving component." Pech said he might change his mind if Tamara were to fall into the wrong hands.

Shortage of Funds Said Affecting Pilot Training

AU1611151395 Prague MLADA FRONTA DNES in Czech 11 Nov 95 p 1

[Report by "jc, gag": "Air Force Pilots Do Little Training Because of Lack of Funds"]

[FBIS Translated Text] Namest nad Oslavou—Air Force pilots have recently been getting fewer and fewer opportunities to fly combat aircraft. Some high-ranking officers are concerned that the pilots will not be sufficiently trained and could, as a result, cause an accident.

While NATO states' pilots fly 150 hours per year on average, Czech Air Force pilots spend some 50 hours in the air. Moreover, two weeks ago, the General Staff reduced aviation fuel rations so radically because of lack of funds that approximately one-half of the pilots of one of the two squadrons at the Namest nad Oslavou base will not take off at all before the end of the year.

Only some experienced pilots will fly. "We have to halt the training of new pilots because, if they flew only occasionally, it would affect the safety of the flight," according to Lieutenant Colonel Miroslav Jahoda, second in command at the base.

This represents a danger, however, that particularly the young pilots, who came to the air bases from school, easily lose the habits necessary to operate supersonic aircraft. According to aviation experts, an experienced pilot needs perhaps an hour of flying for training, but for the novice pilots an hour is useless. "So, the efforts to train young pilots have been wasted. They will have to repeat many flights next year, and the training will be even costlier," Lieutenant Colonel Jahoda continued.

Air Base Commander Colonel Jiri Kubala wants to turn to the defense minister as last instance. If the fuel shortage lasts some time, he believes there could be a shortage of trained pilots ready to climb into the cockpits. "In November, for instance, we will not be able to fulfill the night-time combat tasks, and at the end of the year even the daylight tasks," Col. Kubala claims.

Brigadier General Miroslav Kostelka, who is in charge of organization and arms for the Army, said that the Defense Ministry and the General Staff are aware of the difficult situation at the air bases as a result of the lack of funds for fuel and spare parts. He said that his subordinates are desperately looking for money to train the pilots. "The Air Force must prevail whatever happens," Kostelka stated.

Klaus, Russia's Yarov Discuss Russian Debt

LD1611194495 Prague Radiozurnal Radio Network in Czech 1500 GMT 16 Nov 95

[FBIS Translated Text] Yuriy Yarov, Russian deputy prime minister and finance minister [title as received], who is in the Czech Republic on an official visit, met with Czech Prime Minister Vaclav Klaus today. Jitka Kucerova reports:

[Kucerova] They discussed several topics. Apart from the current political situation in Russia and preparations for the elections, the main part of the talks concerned economic relations.

Russia is offering the Czech Republic a list of six companies in which the sell-off of some of the shares could be used for turning the Russian debt into capital assets. The Russian debt amounts to several billion dollars.

The supply of oil to the Czech Republic was also discussed.

'Official Stand' on European Parliament Resolution

AU1711105995 Bratislava SLOVENSKA REPUBLIKA in Slovak 17 Nov 95 p 4

[Report by SLOVENSKA REPUBLIKA: "Slovak Republic Stand on the European Parliament Resolution"]

[FBIS Translated Text] Bratislava—The Social Democratic, People's, and Liberal Democratic factions of the European Parliament [EP] have jointly initiated the draft of a resolution voicing anxiety over the "threat to democracy and human rights in the Slovak Republic" and expressing the EP's concern about the passage of the law on the state language in the Slovak Republic. The Slovak Republic's official stand on the joint resolution draft put forward by political groups in the EP was delivered to the EP deputies by the Ministry of Foreign Affairs of the Slovak Republic in the name of the government and the government coalition.

We cannot accept this form of communication between the EP and the Slovak Republic, which is neither a dialogue nor a discussion. It is a monologue and decisionmaking without hearing out the other side.

The approval of this resolution could be highly counterproductive and could seriously damage Slovakia's long-term goal of becoming integrated in European and transatlantic integrative structures.

Reservations Concerning Procedure

1. This resolution draft directly contravenes Articles 110, 111, and 112 of the European Agreement on Association Between the EU and the Slovak Republic. Any resolution of this kind or any other objections of the EP regarding the Slovak Republic should be discussed, before the adoption of a decision by the EP, in the Joint Parliamentary Committee [JPC] composed of EU and Slovak Parliament representatives. Moreover, before submission of the EP draft resolution, the JPC should turn to the Association Council, made up of EU and Slovak Government representatives, to request relevant information.

We would like to direct your attention to the fact that the JPC will be constituted and will start to operate only next week in Bratislava. In light of this, the question arises why rush the resolution in this way.

2. It is not fair to pass a strongly critical resolution against the prime minister of a freely and democratically elected government without providing the possibility of discussing this criticism with him, the government, and the government coalition in parliament.

Reservations Concerning the Resolution's Contents

A. The Democratic Union [DU] is in parliament despite the fact that investigations proved 2,772 instances of petition sheet forgery and a great number of other irregularities concerning names, signatures, permanent residence, and birth registration numbers [equivalent of social insurance numbers]. It is evident that this party entered the elections with fewer than the 10,000 signatures required by law.

B. It is not true that the new law on the state language will prevent the 11 percent of the population that speaks Hungarian or another minority language from using its mother tongue. The new law was passed on 15 November 1995 with broad support from the opposition (including the Party of the Democratic Left and DU). Of the 142 deputies present, 108 endorsed the bill. The new law is in full conformity with Article 6, Section 1 of the Constitution of the Slovak Republic. The passage of this law will soon be followed by the approval of another law, which will guarantee the use of ethnic minority languages, in accordance with Article 6, Section 2 of the Constitution of the Slovak Republic. It is not the purpose of the new law to set out the usage of minority languages. For this reason, the constitutional right to use minority languages (Article 34, Section 2 of the Constitution) is not affected by the new law.

C. It is not true that three investigators of the kidnapping of President Kovac's son have been dismissed. The first resigned himself and the reason for the dismissal of the second investigator was noncompliance with official procedures. The third investigator is conducting the investigation with another eight investigators and 60 police officers. The difficulties dwell in the fact that President Kovac's son is abroad. Not even the Austrian Police have been able so far to successfully wind up the investigation.

D. It is not true that several politicians and journalists investigating the background of this affair have received anonymous threats, resulting even in physical assault.... One politician and one journalist were physically assaulted recently. This is, naturally, the subject of proper police investigations. However, the endeavor to seek connections between these criminal cases and the investigation of the kidnapping of the president's son is a grossly misleading conjecture.

E. Opposition parties are proportionately represented in all 12 NRSR [National Council of the Slovak Republic] parliamentary committees, in a manner reflecting the election results, and the chairmen of these committees have been elected in conformity with the NRSR Rules of Procedure.

F. We are fully aware of the fact that respect for democratic principles and observance of human rights will be the decisive factor in admitting all associated countries, including the Slovak Republic, into the EU.

Conclusion

The Slovak Government and the government coalition in the Slovak parliament would highly appreciate it if the honored EU deputies considered the above reservations, which are founded on fact. We are ready to discuss any question of interest to the EP relevant to the European Agreement [on Association] Between the EU and the Slovak Republic as a sovereign state, on the basis of reciprocity and mutual respect, as true partners in building the European future. In a relatively short period of time, Slovakia has contributed to stability and prosperity in Central Europe. The process of transformation and democratization in the Slovak Republic is irreversible.

The joint draft of the EP resolution was submitted by: PSE—Socialist Group, PPE—Christian Democratic Group, UPE—the European Right, ELDR—Liberal Group, GUE—United Left, ARE—Group of European Radicals, GREEN—Greens, and EDN—Europe of Nations.

Meciar Dismisses Objections to Language Bill

AU1611142695 Bratislava SME in Slovak 13 Nov 95 p 1

[Interview with Slovak Prime Minister Vladimir Meciar by Juraj Hrabko; place and date not given: "Language Law Is Linked to the Ratification of the Slovak-Hungarian Treaty in the National Council of the Slovak Republic"]

[FBIS Translated Text] [Hrabko] On Wednesday, 15 November, deputies will discuss the government-sponsored bill on the state language. How do you perceive the position of church representatives, who have expressed serious objections to some articles in the bill?

[Meciar] I do not know the churches' position. When I attended a meeting of the committee, there was talk about whether entries in the [birth, marriage, and death] registers should be in Slovak or otherwise. The unambiguous demand was expressed that, if such a document is an official document, it must be in the Slovak language. Different churches use different languages. If we permitted the writing of these documents in the liturgical languages, it would not correspond to the official nature of these documents. We have placed church weddings on an equal footing with state wedding ceremonies. The marriage certificate issued by a priest is an official document that entails certain legal obligations and legal relations for the couple. There have been some discussions about this issue, and I do not think the churches will suffer any harm if they are asked to use the state language in official documents that are valid on the whole territory of Slovakia and lay the foundations for legal relations and legal guarantees.

[Hrabko] The bill annuls the 1990 law on the official language, which allowed the minorities to use their languages in dealings with the authorities. Hence, it does change the rules for using the languages of minorities. You are saying the opposite. Can you explain this?

[Meciar] The cancellation of the law you are talking about does not definitely settle the issue of using the languages of minorities because this is an ongoing process, which will further comprise the ratification of the international convention on the rights of minorities. If your objection is real, the representatives of the Hungarian Coalition can meet, for example, with representatives of the Movement for a Democratic Slovakia, discuss this issue, and come to an agreement. At this stage, the government no longer has any influence on the bill. The only thing the government could do now would be to withdraw the bill from parliament, for which there is no reason at this moment. Moreover, it needs to be said that [the passage of] the state language law will significantly help to make the Slovak-Hungarian treaty passable in the National Council of the Slovak Republic.

Speaker Rejects Criticism

LD1611164695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 16 Nov 95

[FBIS Translated Excerpt] In the next few minutes we will return to yesterday's parliament session. Deputy National Council Speaker Augustin Marian Huska addressed parliament yesterday and told the deputies about the resolutions prepared by the European Parliament on the political situation in Slovakia. Shortly before the beginning of this program, we managed to record an interview with National Council Speaker Ivan Gasparovic. The first question was: How will the Slovak parliament react to the serious facts with which Augustin Marian Huska acquainted the deputies yesterday?

[Begin recording] [Gasparovic] We knew previously about the activity of some deputies in the Council of Europe. [passage omitted]

[Question] And now allow me to talk about a hot topic. It concerns the state language law, passed yesterday. In this connection—at least I assume so—the speaker of the Hungarian National Assembly has allegedly sent you a letter. Could you say something about its content?

[Gasparovic] The Hungarian Assembly speaker asks that we do everything in parliament to prevent any distortion of some formulations of the basic Hungarian treaty [words indistinct] language law.

[Question] So this was before the passage of the law.

[Gasparovic] The Hungarian ambassador came at 0800 and presented the letter to me. I told the ambassador my view—namely, that the law we have here was not in violation of the Slovak Constitution or the legal norms of Europe, and that the legal norms adopted in relation to national minorities will continue to be preserved. So we passed the law. It is not an extraordinary event; it is simply one of the laws needed by a sovereign state, a sovereign republic. I would like to say that minority citizens need not feel [word indistinct] because they will interpret it (?as up to now). [passage indistinct]

[Question] We have the latest reaction from the Hungarian side. We could hear on the radio this morning a report from our Budapest correspondent in connection with the passage of the language law of the Slovak Republic, in which, according to our correspondent, Budapest, in the words of its Foreign Minister Laszlo Kovacs, intends to turn to the Council of Europe because, allegedly, many points in the law are in violation of the text of the Slovak- Hungarian treaty and it violates the documents of the Council of Europe, specifically the framework agreement on the protection of minorities. Is our parliament ready to present counterarguments?

[Gasparovic] I want to say unequivocally that legal norms exist that concern national minorities that we have adopted so far and that they remain valid. These norms satisfied the bodies you named here. So I must say that the law is indeed applied in harmony with the international duties and obligations that have been undertaken by the Slovak Republic in this sphere. [end recording] [passage omitted]

Amendment Seen Paving Way for Referendum on Kovac

AU1711115995 Bratislava PRAVDA in Slovak 15 Nov 95 p 4

[Commentary by Marian Lesko: "The Amendment and Its Purpose"]

[FBIS Translated Text] The day before yesterday, deputies representing the ruling majority approved an amendment to the law on the method of carrying out a referendum. From now on, petition sheets with signatures need not be delivered to the president but are to be submitted to the chairman of the National Council [NRSR]. No longer will the head of state "examine whether the petition's contents are in conformity with the Constitution and the special [referendum] law," but parliament. The president will only be left with the duty to promulgate the referendum, after the NRSR sends him its statement that all of the formal requirements have been complied with. Some opposition deputies let themselves be heard saying that the amendment only serves to perpetuate the political feuding between the government coalition and Michal Kovac, but that it otherwise lacks any practical purpose. Well, let us give it a thought.

According to [Movement for a Democratic Slovakia, HZDS, legal expert] Jan Cuper, the approved amendment will "prevent manipulation with the will of citizens." By this he meant to say that the amendment will prevent the president's manipulation because it will not be him but "a state body or another institution" appointed by the NRSR—that is, by the parliamentary majority—that will examine whether there is a sufficient number of signatures on the petition sheets. Only, even without this amendment, the parliamentary majority can very easily prevent the head of state from "manipulating" the citizens' will. It simply has to pass a resolution to call a referendum.... Some politicians believe that the purpose of the amendment is to endow the NRSR with the power to establish whether "the petition's contents are in conformity with the Constitution." However, as Michal Bencik [Party of the Democratic Left deputy] pointed out, the president, when calling a referendum, is under the obligation to scrutinize whether his conduct is in conformity with the Constitution. That is, he must establish first whether the petition's request is in conformity with the basic law, irrespective of parliament's opinion.

From this viewpoint, it would seem as though the amendment had only one purpose—to strip the president of yet another power, regardless of whether it makes sense, according to the slogan that a meeting of parliament that does not take anything away from him must be considered a wasted one. However, there is a certain context in which the amendment assumes a meaning that goes beyond that of a mere act of goading. The Slovak prime minister said that, in their recent demarches, the EU and the United States had expressed their concern as to whether the problem of the president would be solved democratically. "We assured them it would be," the HZDS chairman added. In his interview for the FRANKFURTER ALLGEMEINE ZEITUNG, Vladimir Meciar noted that "it will be necessary to consider the possibility of holding a referendum on removing the president from office." At the same time, Vladimir Meciar knows perfectly well that the demarches called for the "renewal of cooperation between representatives of the highest Slovak constitutional bodies." It would hardly look good if the referendum were to be called by the coalition majority by means of a resolution; this would not bear much semblance to the renewal of cooperation between the highest constitutional officials. It would look much better if the initiative to "solve the problem of the president" came not from the parties of the ruling coalition in parliament, but from a petition committee in a referendum.... For this reason, it was necessary to make sure that the president cannot thwart the efforts of this committee in any way. This is why the amendment, according to which the decision on the referendum based on a petition is made by the NRSR and the head of state only promulgates it, makes sense after all....

The days are drawing to a close more quickly now. And so is, most likely, the referendum.

Slobodnik Berates Negative Press Reporting

AU1611151195 Prague REFLEX in Czech 10 Nov 95 No 47, pp 58-59

[Interview with Dusan Slobodnik, chairman of the National Council of the Slovak Republic Foreign Committee, by Dan Hruby and Martina Palovcikova; place and date not given: "I Always Tell the Truth"]

[FBIS Translated Excerpt] [REFLEX] At the time the Federation broke up, the Movement for a Democratic Slovakia was constantly complaining about the Slovak Republic's unseemly image in the world. In your opinion, has Slovakia's image abroad improved since then?

[Slobodnik] Not much, although the situation is changing, and Slovakia's image, all in all, is not so unequivocally black as some people have tried to make out, especially at the end of 1992 and the beginning of 1993.

[REFLEX] Who?

[Slobodnik] Mainly the Czech dailies such as LIDOVE NOVINY and MLADA FRONTA DNES and the weeklies RESPEKT and REFLEX; I could go on listing them. Some Czech journalists have simply been unable to come to terms with the fact that the Slovak nation, like other nations, has a right to go its own way, to independence, and that it wants to manage its own affairs itself. [passage omitted]

[REFLEX] Do you feel that this antagonistic attitude by the Czech side still persists?

[Slobodnik] Following the breakup of the state, instead of leaving Slovakia out of their field of vision or at least reporting neutrally, some journalists are still using the same tactics: They spread disinformation and ferret out unpleasant things. I recall a whole series of articles by Jiri Hanak and Karel Kriz of LIDOVE NOVINY and Karol Wolf of MLADA FRONTA DNES. I also get REFLEX from time to time, and I always find an attack on Slovakia in it. RESPEKT? My God! My God! And, you: Try and read your articles through Slovak eyes. They are all invectives not just against Meciar or anyone else, but direct invectives against the Slovak nation. Where are these Slovaks actually trying to go? What do they want? What kind of liberty are they taking? Do they really think they can match us? These were the standard expressions used by the journalist Jiri Ruml. There is a saying in our country: One generation takes after the other, or—like father, like son. I mean this is with regard to Jan Ruml.

[REFLEX] You talk about emphasizing unpleasant facts. But this is, after all, the basic journalistic approach to reality....

[Slobodnik] I do not deny that there are unpleasant things in Slovakia. Of course there are, but they are not typical of overall events. Do you think it would be impossible to find journalists in our country who would not fan the flames of hatred against certain measures in Czech policy? I emphasize policy, not against the Czech nation—it is still the nation closest to us. For instance, there is the problem with the Sudeten Germans. We could write about 1945, about the number of victims; we could dredge up anything if we were as oriented against the Czech nation as some Czech journalists are against Slovakia. I do not believe you will find anyone in these circles in the Czech Republic who would praise the political and economic successes our Republic has achieved during the two and a half years of its independent existence. On the contrary. Many of them still think it is their duty to throw muck, dirt, and mud at Slovakia and to fabricate lies. But this no longer bothers or interests us. We have our own state; we live our own lives.

[REFLEX] You mention lies and untruths. Why, in your opinion, are they being told? What motivates Czech journalists to be so unscrupulous?

[Slobodnik] Their motive is as clear as day. The disinformation that Czech journalists and also some Prague-based foreign correspondents have spread was intended to result in the Slovak Republic's being viewed in the world as an unstable country. Then, the capital that Western financial circles had earmarked to support the postcommunist regions would make its way to Slovakia only to a limited extent. So, the motivation behind this campaign was, first and foremost, economic. It was less political because Slovakia is in the same international institutions as the Czech Republic. In this respect, not too much could be done against Slovakia.

[REFLEX] But do foreign journalists depict the events in Slovakia the way they really are?

[Slobodnik] All of these scandals and affairs, you concoct them yourselves. Of course, things are happening here. There are some disputes, and I am not pretending that we are a society without problems. But I ask you: Are there no such problems in the Czech Republic? What about the relationship between the president and the prime minister? The problem of the skinheads against the Romanies? But how does it work in practice? Some time ago in Slovakia, a gang of skinheads murdered a Romany in a particularly brutal manner. This was the first such incident since 1989, but the report on it flew around the world. And do you know how many Romanies have died, according to an official report from the U.S. Congress, at the hands of skinheads in the Czech lands during the same period? At least 30. Have they written about this? No! [passage omitted]

[REFLEX] Journalists in the overwhelming majority of the Slovak dailies are equally critical of the current government of Vladimir Meciar....

[Slobodnik] You see! But the Czech media will claim that there is no democracy here. Is this not a contradiction? According to you, there is no freedom here, but, at the same time, of the 20 dailies that are published in Slovakia, only two support the current government.

[REFLEX] The government, it seems, has assumed control of public-service radio and television.

[Slobodnik] In an interview for the Austrian weekly PROFIL, President Kovac said, and I quote: "The worst thing is that the opposition has no access to public-service radio and television." He said that; you can check it out. I always tell the truth. But is what the president said true? Anyone living in Slovakia knows it is not. Why are you not interested in problems with presidents in other countries? What? They do not have them? Yes, maybe in the Czech lands they are not so bad. But what about Poland?

[REFLEX] The criticism of the Czech journalists in the Czech media had, in your opinion, economic motives. But why would Slovak journalists deliberately damage their country in the Slovak media?

[Slobodnik] They simply do not respect Slovakia's objective reality. They do not see that this country is achieving economic results, although, unfortunately, they have not yet been projected into practice as we would wish. They do not see that democracy in Slovakia, at least as far as the media are concerned, functions, to say the least, to the same extent as in the Czech lands.

[REFLEX] Why do they not see this?

[Slobodnik] Because of their hatred of Meciar. They realize that there is no one else like him in Slovakia and that they themselves are just not up to him. They simply cannot reconcile themselves to this. Therefore, they support the political line of the parties that lost the last elections, and they write only bad things about Meciar. But, while they are writing, Slovakia is moving on. According to an assessment in THE ECONOMIST, it is third in the rankings of the postcommunist countries. After Slovenia and the Czech Republic. This proves that we are on the right track, and I'll bet you that, by the year 2000, we will catch up with the Czech Republic economically.

Daily Against Rapid Integration Into EU, NATO

AU1711115695 Bratislava HOSPODARSKE NOVINY in Slovak 31 Aug 95 pp 1-2

[Editorial by Jaroslav Brabec: "Festina Lente"]

[FBIS Translated Text] In a brave attempt to find a protector for themselves somewhere in the world, our media and several politicians have spent a lot of energy on warnings quoting members of the foreign press that are not very happy with Slovakia. The world really could not care less which political group in this country privatizes property worth 200 billion korunas, but it is rather more concerned that closed privatization is not exactly the fastest way to get certain Slovak firms into the portfolio of foreign owners. This may be the reason we had the sermons read to us again on how little democracy we have here, that our reforms are not reforms, and that the wrath of God would fall upon us becaise we are not going to be accepted by either NATO or the EU.

In an effort to reduce our Europeanizing chances, the raised fingers did not notice—certainly inadvertently—an interesting passage in an editorial in the most influential U.S. daily, THE WALL STREET JOURNAL, of 16 August, which states: It certainly is appropriate to exert pressure (on Slovakia—author's note).... Unfortunately, Slovakia is for geographical reasons a good candidate for European integration. There are even those who claim that it would be difficult to integrate Poland, Hungary, and the Czech Republic without Slovakia.

True, whoever takes a look at the map can see clearly that without the rejected Slovakia and neutral Austria any NATO expansion eastward would make Hungary just an enclave in the pact and that in the very important direction toward the Balkans. It seems that Slovakia needs to worry about its integration into the European structures less than NATO itself. With respect to our actual situation—without an external enemy and the not very attractive prospects of reequipping the Army at a cost of 40 billion [currency not specified]—it is a question of relaxed, unhurried consideration whether Central Europe could bear several more neutrals in addition to the Swiss and the Austrians.

With the passage of time, this idea is gaining real strength. This can also be detected from a certain anxiety of German diplomacy, which has recently been trying to speed up the expansion of the Atlantic alliance and the EU. Noteworthy in this respect was the appeal by German Defense Minister Volker Ruhe to the Baltic republics last week to be more dynamic in their demands for integration into European structures.

Every headlong plunge into cold water brings with it a risk of cardiac shock. Even the hot candidates for membership in the EU and NATO are now weighing the positive and negative aspects. In Poland, for instance, the Catholic Church, Pawlak's farmers' party, and the national right wing are protesting sharply against the political and economic dissolution in the EU as codified by Maastricht. Primate Josef Glemp declared before 100,000 pilgrims in Czestochowa that Western politicians want to weaken East and Central European states so that, upon their admission into the EU, they represent no danger to the rich countries. There are more than military ways today to subjugate other countries, Glemp said in a sharp address.

The Czechs are also now contemplating the degree to which their entry into the EU, which gives European citizens the right to settle anywhere within the Union, will encourage the Sudeten Germans to return. All the more so, after Bavarian Minister President Stoiber asked the Czech prime minister to permit the Sudeten Germans to settle in the Czech border region even before Czech entry into the EU. "Festina lente," hasten slowly, the historian and man of letters Zdenek Mahler said in a poll of prominent personalities on whether the Czech Republic should rush into the EU. Writer Vaculik then answered unequivocally, "No. I want information published on consequences."

Integration is a trend, but it must be beneficial to all. It is neither a reward nor a threat.

SIS Budget To Be Significantly Increased

AU1611142595 Bratislava SME in Slovak 15 Nov 95 p 2

[Article by "sp, jam": "Government: Draft Budget Envisages Deficit of 27 Billion Korunas"]

[FBIS Translated Excerpt] Bratislava—The draft 1996 state budget, which the government approved yesterday, envisages a deficit of 27 billion korunas [Sk [illegible] passage omitted] Asked by SME about the increase [illegible] budget of the Slovak Information Service [SIS] and the total size of the SIS budget, M. Suranova, director of the Slovak Finance Ministry State Budget Section, said that the draft budget foresees for the secret service the amount of 759.6 million Slovak korunas [Sk]. Last year the SIS availed itself of the sum of Sk516.5 million. According to the draft, the amount of Sk97 million is allocated for the Office of the President of the Slovak Republic.

The government yesterday also took note of a report that dealt with the standard of the command of the Slovak language in schools in ethnically mixed areas. The proposed measures foresee, among other things, the organization of student essay competitions on the topics "Why I Love the Slovak Language" and "Why I Love the Slovak Republic."

According to the prime minister's spokeswoman, Magda Pospisilova, Prime Minister Meciar sharply criticized individual departments for not devoting sufficient attention to the state of work on dividing the property of the former CSFR. The Slovak Republic has not recognized the debt of 24.7 billion Czechoslovak korunas [Kcs] [stemming, according to the Czech side, from the division of the assets of the Czechoslovak State Bank]. It has only recognized items totaling Kcs6.6 billion ensuing from the division of debts with the International Monetary Fund, from the exceeding of the 1992 federal budget, and from its share of the turnover tax that it did not surrender to the federation's budget.

Horn To Seek CE Position on Slovak Language Law

LD1611191295 Budapest Kossuth Radio Network in Hungarian 1500 GMT 16 Nov 95

[FBIS Translated Excerpt] Among other things, the Slovak language law, which was passed by the Slovak National Council last night, was on the agenda of the Hungarian Government session today. Judit Laszlo reports on the briefing.

[Laszlo] Prime Minister Gyula Horn explained to his Slovak counterpart, Prime Minister [Vladimir] Meciar, that Hungary considers the bill to be contrary to European standards and the Hungarian-Slovak basic treaty. The bill has meanwhile been passed by the Slovak parliament. Because of this decision, Hungary will turn to the Council of Europe [CE], asking its expert committee to take a position regarding the disputed issues, the Hungarian prime minister told "Chronicle." [passage omitted]

MSZP Official Views Party, Government Issues

AU1611081795 Budapest NEPSZAVA in Hungarian 11 Nov 95 pp 1, 8

[Interview with MSZP Deputy Chairman Laszlo Mate by Rita Csik; place and date not given: "Horn Does Not Yet Have a Successor in the Leading Government Party—Believes Mate, Who Expects Tough Action by the Trade Unions"]

[FBIS Translated Text] In the Hungarian Socialist Party [MSZP], this is not the right time to raise the question whether the party chairman and prime ministerial functions should be separated: The party has not yet "produced" Gyula Horn's successor, Deputy Chairman Laszlo Mate told NEPSZAVA. In preparation for the November congress, which is to assess the government's work, Mate said: It is the party chairman's personal responsibility that cooperation between the executive committee and the government is inadequate. Mate believes that Finance Minister Lajos Bokros can keep his ministerial position if he finds a common tone with society and his fellow ministers. He finds it worrying that the trade unions have changed their style after Sandor Nagy left.

[Csik] The government's work will be assessed at the November party congress. The membership is dissatisfied. Some people want to have Horn dismissed. In your view, will he stay or go?

[Mate] In preparation for the congress, I have talked to more than 400 party members. Nine out of 10, mentioning concrete objections, are dissatisfied with the functioning of the party and the government. However, if we ask whether they want a new prime minister, then the answer is no. Horn has to stay, but he will have to conduct his politics more calmly, with more consideration, and without haste even in this extremely difficult governmental situation.

[Csik] Some members of the executive committee believe that the posts of party chairman and prime minister are too much of a burden. Are you in favor of or against separating the two positions?

[Mate] This issue is not timely. The next party chairman has not yet emerged in the party. Horn has a huge prestige in the party. The party does not have any politicians with great prestige who could be an alternative to him for the domestic and foreign public. The MSZP was a beaten party in 1990 and he, as party chairman, played an enormous role in our 1994 victory with 36 percent.

[Csik] The membership is criticizing the party leadership as well as the government because you are not united in your statements. Do you think this also applies personally to you?

[Mate] The criticism applies to all of us. The reason for the differing statements which cause confusion in the party membership is that coordination within the party leadership is terrible.

[Csik] Who is responsible for this?

[Mate] In my view, personally the party chairman. I said this at last week's Nanasi Street meeting. To mention an example: It is impossible to have the executive committee discuss the 12 March package of measures on 13 March in such a way that elements of the already publicized program are unclear, and then to expect that we make unanimous statements on the basis of sketchy information. Before the elections, we had a group which worked out our topic and our stance for the following week. After the victory, this group ended its work and everyone can now say what they wish. The deputy chairmen have met for coordination twice in the past 16 months. The first time was at Horn's initiative, and the second at Executive Deputy Chairman Sandor Csintalan's initiative, but the prime minister did not participate in this second meeting. We do not yet have a scheme to get the national committee, the executive committee, and the parliamentary group's officials to speak the same language.

[Csik] Would this problem be solved by restoring the position of general deputy chairman?

[Mate] If the general deputy chairman was given adequate authority to coordinate between the government, the parliamentary group, and the party leadership, this could seemingly help but it would also become a source of new problems because he would have to coordinate with the party chairman-prime minister. Only one person, namely, the party chairman can solve this problem properly. Horn's relationship with his team should be more organized. He should involve the party's executive committee more in the important decisions. His reply to this is that everything leaks out prematurely from here. In my view, we do not have such secrets which could not become public.

[Csik] The membership is dissatisfied with Lajos Bokros. Many believe that he will have to leave after the congress. Will he?

[Mate] Bokros started very badly. He believed that he would stand up and say what he thinks and would not have to tolerate that people argue with him. However, he has realized that this is not so. Today, he is one of the ministers who travels most. He is getting better in hitting the right tone with the party's executive committee and the parliamentary group. He also tries to have discussions with the professionals but the ministry does not have many people around it, and the minister does not much rely on various economic schools. If he can settle his relationship with his fellow ministers, then the practice of Hungarian governments using up a finance minister every eight to 10 months can perhaps be stopped. In the past five years, all finance ministers announced a new program, but two months later they were only trying to deal with the budget deficit. A truly effective economic policy has only been outlined in the recent period.

[Csik] Bokros has to settle his relationship with his fellow ministers, you say. A number of Socialist politicians have already said that professional issues should be dealt with by the relevant ministries. However, the finance minister argues that the ministries do not work out their area's measures for stabilization in time.

[Mate] Many people think that, if Bokros had told the then Welfare Minister Pal Kovacs before 12 March that the welfare budget would have to be cut and that he should make suggestions on where to make the savings, Kovacs could perhaps still be a minister. And the Constitutional Court might not have quashed the Bokros proposals. The finance minister still has to make peace with the ministries. However, the ministries in turn have to realize that they must take seriously the numbers laid down by Bokros. The prime minister is forced to constantly deal with making justice between the government members. The ministers must be able to change style.

[Csik] For weeks, we have been having demonstrations and strikes for higher wages. Can the government resist the pressure?

[Mate] The government sent an important message to the trade unions: It marked out how far it can go. This offer itself softens the budget, but it had to be taken into consideration that the drop in real wages was 10 percent this year. It seems that, with Sandor Nagy leaving, the trade unions might change their style and they will become tougher in representing their demands. It is possible that they will be able to achieve a few-percent real wage rise, but it will not be possible to maintain the sliding exchange rate policy with the escalating inflation. A lasting 30-percent inflation deters foreign capital.

[Csik] The Borkos package tested society's tolerance. Has it brought any results?

[Mate] It has and it has not. The supplementary customs duty is bringing in extra income. The continuous forint devaluation helps exports. However, some people actually use this for speculation and are earning very well from it. This system is only a temporary solution. The measures in connection with the child care allowance and fee only served to upset society. The budget gained far less than what the government's and the party's popularity lost through these. The Bokros package was a dictate and this is the reason it really hurt the trade unions. It would have been good if a social and economic agreement had been made because no one would have "dictated" it, and the trade unions could not now blackmail the government by threatening to take people out to the streets.

[Csik] Is it possible that the November party congress will decide to slow down the stabilization program and the reform of state administration because of pressure?

[Mate] We must go forward at the fastest speed which is still tolerable by society. However, we have received serious signals that people are unhappy about this speed. I do not believe that an original speed had existed compared to which we are not going slower. Stabilization is also possible through gaining extra income, not only through savings. Today, it is typical for the companies, rather than the state, to take on U.S. dollar loans. They are investing and using more labor. Hungarian industry will exist. The methods of this should be sought day and night but there is little willingness for this at the moment. I am dissatisfied with the measures with which we want to put the entrepreneurs into a good starting position.

In my view, the government would need a supporting group in which it could gather experts of the various economic schools to discuss an economic philosophy program for 15 to 20 years. Economic experts of the parliamentary parties could also be part of this. They would together create the program for uplifting the country, on the basis of which the economy could continue to develop, even during government changes, and the achievements reached in previous cycles would not be eliminated every four years.

[Csik] The Socialists are asking for further sacrifices while they are saying that it has to be made clear to society for what and for how long they are needed.

[Mate] The coming year will still be tough. We can expect some improvement by 1997-98. The inflationary danger will be ended: When the next government comes to office, inflation can be below 10 percent. We cannot permit ourselves to have so many teachers, health service workers, postmen, policemen, and ministry officials. The state pays almost 1 million civil servants and public employees. If we do not have strikes, then we will be able to keep our advantage which attracts the largest amount of foreign capital in the region. This will take us to the European Community, the developed Europe.

[Csik] The staff reduction of public employees does not help the popularity of the Socialists, they have many voters in this tier.

[Mate] If we spent the energy used to annoy each other with the Free Democrats on social dialogue and on seeking allies, then we would be able to get good positions at the next elections, even if we do not win with the same proportions as last year. We need a better, calmer, and more consistent division of labor in the Socialist party, in which the party's key figures know precisely what their responsibilities are. A more coordinated cooperation between the government and the party would be indispensable. The government has to realize that it has a real basis in the party. If it uses this well, then it has 40,000 propagandists. If it does not, then it will have to face 40,000 tough opposition members in its own party.

FKGP Holds Meeting, Prepares for Governing

AU1611081695 Budapest UJ MAGYARORSZAG in Hungarian 13 Nov 95 pp 1, 5

[Correspondent's report on speech by FKGP Chairman Jozsef Torgyan at a mass rally held in the Budapest Sport Hall on 11 November: "The Smallholders' Prepare for Governing"]

[FBIS Translated Excerpt] [Passage omitted] Speaking about Hungary's situation, Jozsef Torgyan said that half of the nation's property disappeared under the slogan of change in the regime in recent years, and 1.5 million jobs also disappeared along with complete industrial sectors. The food processing industry became hopeless. This is why the MAV [Hungarian State Railroads] got into a crisis too. The closing of secondary railway lines not only brings some regions in an impossible situation, but also hinders economic development. If it succeeds in repeating its victory of 50 years ago, the Independent Smallholders' Party [FKGP] will have to put Hungary back on its feet from a worse situation that the one that prevailed 50 years ago. [passage omitted]

The program "Our Homeland Tomorrow" outlines the main guidelines, and the "Alternative Economic Program" outlines the direction of the planned measures. One of the basic principles of the latter is that economic modernization and restructuring should be achieved by reducing the tax burden and consistently collecting smaller taxes. This would also eliminate the black economy, because the Hungarians are not criminal in their nature—Torgyan pointed out. The FKGP program focuses on supporting education as well as research and development. Torgyan pointed out that the present government of liberal bolsheviks is trying to push the Hungarians into the level of hired workers by making it impossible for the children of low-income masses to continue their studies. If it gets into power, the FKGP will guarantee higher education available to all as a state obligation and will eliminate the state monopoly on university founding. Torgyan pointed out that the other element of the "liberal trap" is that they keep the wages low by force. The FKGP supports the justified wage demands of the trade unions. [passage omitted]

The FKGP government will declare a crusade against unemployment and will promote increased housing because, according to their evaluation, the construction of 20,000 flats creates 72,000 jobs. In case they win the elections, the FKGP will reform the pension system, but they will not accept an increase in retirement age. They will replace personal income taxes with family taxation and will introduce the institution of motherhood. According to the FKGP, the Hungarian economy suffers from three blows because of the unskilled liberal-bolshevik leadership: wrong diagnosis, mistaken therapy, and insufficient implementation. Government life also needs radical reorganization: the goal of the FKGP is to set up a two-chamber parliament and to create a strong presidential or chancellor system.

Speaking about the FKGP alliance concepts, Torgyan said he would welcome uncompromised national forces in the framework of the National Alliance. He pointed out that politicians like Ivan Szabo of the Hungarian Democratic Forum [MDF] or Janos Latorcai of the Christian Democratic People's Party [KDNP] are excluded because they irresponsibly increased Hungary's internal debt by 400 billion forints [Ft] under the slogan "bank consolidation and debt consolidation." By this, they put the banks in the hands of the liberal financial mafia that excludes people who do not belong to them. With this, all banking got into the hands of about 100 people and this threatens the entire Hungarian society. The beginning of the Nagymaros Power Station construction and its stoppage later, and the announcement on holding the World Expo and then dropping the plan also contributed to Hungary's lagging behind. [passage omitted]

In connection with Hungary's foreign debts, the FKGP thinks that both Miklos Nemeth and the late Jozsef Antall missed the historic moment of easing the debt burden by claiming that the $22 billion debt in 1990 originated from communism. It is still worth holding talks with the IMF on today's $35 billion debt because, if Hungary's economy collapses under this burden, the creditors will not receive one penny back, so they are also interested in easing the burden.

Torgyan said that the FKGP would mobilize every force if the government dares to sell the electric power industry. He also said that Gyula Horn should realize that, this time, he is only responsible to the Hungarian society, and not to the Soviets or to the West. However, Gyula Horn deceived the Hungarian society, so he should go. The sooner the better—Torgyan concluded.

Five-Year Data Published on Society, Economy

AU1611082895 Budapest NEPSZABADSAG in Hungarian 14 Nov 95 p 13

[Report by "B.K.": "Is the Quality of Life Better Than We Think?—Mass of Data on the Processes of Hungarian Change of Regime"]

[FBIS Translated Text] Do statistics, the science of averaging, hide the essence? The domestic statistical system receives many criticisms because it cannot measure many aspects of market changes, and at the same time, the international institutions continue to see it as rather reliable—mainly, because the Central Statistical Office [KSH] has a high level of autonomy and is not dependent on daily politics. Its trends data show a reliable picture of the important changes over several years, rather than over days. The KSH has now published a rather revealing mass of data on the most varied aspects of the economy and society: What has happened in Hungary since the change of the regime—told in numbers.

The publication shows the Hungarian changes mostly in comparison with other countries having transitional economies which launched themselves at the same time as us. Its data prove the common observation that a significant differentiation can be observed in the East Europe countries since the change of the regimes and, at the same time, as far as the difficulties of economic progress are concerned, many common traits exist. From these, the study mentions the deficit of state administration, the contraction of the economy, high inflation and unemployment, and—different levels of—foreign indebtedness.

Due to the difficulties of transformation and the omnipresent illegal economy, measuring the GDP might be the most delicate area of economic statistics. The publication shows that the Hungarian economy lost a quarter of its GDP between 1990 and 1994—which is an increadible burden comparable to war losses. At the same time, we are not at all at the bottom of the list of countries. For example until 1993, Poland and Hungary had the smallest decline among the region's countries. We even overtook Slovenia and the Czech Republic, which had been declared as model countries, but the order changed in 1994 and we came into fourth place. In the meantime, Romania's GDP decreased by 33 percent, Russia's by 40 percent, and Ukraine's by 45 percent. Rump Yugoslavia and Lithuania are the last ones with an almost 60-percent decline. It is also an important point of orientation that, as for the establishment of the private economy, Hungary is third in line: Some 60 percent of the GDP was produced in this sphere last year. Between 1990 and 1995, most working capital ($9.2 billion) came to Hungary among the region's countries, and the proportion of joint ventures is also highest here. In the summer of 1995, more than 800,000 private entrepreneurs were registered: This is 15 percent of the country's active population. (The KSH indicates that, according to their estimate, out of the private enterprises, 30-40 percent were set up for "tax alleviation" purposes and the proportion of the so-called forced entrepreneurs can be put at 50 to 60 percent.)

As data on the macroeconomy and the real sphere are relatively well-known, it is more worthwhile to browse in the data describing society's general mood: One can deduce quality of life indicators from these. The KSH points out that high mortality, decreasing population, and a deteriorating proportion of supporters and dependents are typical of all countries in transition, and these also mean a significant disadvantage in competitiveness—while other data indicate an increase in productivity.

The Hungarian age pyramid—the population's age structure—shows a rather sad picture. Some 24.8 percent of the population are between the ages of 55 and 70 or older, and 34 percent are below the age of 24. This means that the middle age group has rather large burdens, while the unemployment and death rates are highest in this group that makes up 28.3 percent of the population. Average life expectancy at birth is an important indicator. In Hungary in the case of men, this was 64.5 years in 1994, which is 1.4 years lower than the 1960 figure. Women's life expectancy is better; it can reach 73.8 years, which shows an increasing tendency compared to 1960.

Employment is characterized by the fact that the number of employed people has decreased by 1.4 million, about a quarter, since the change of the regime. The unemployment rate has been between 10 and 11 percent in 1995. (Unemployment is highest among young people at the beginning of their careers: 23 percent among women and 31 percent among men.) Economic activity altogether is 57 percent. (62.6 percent in the case of men and 51.8 percent among women.) The employment proportions are distorted by the fact that, between 1990 and 1995, the number of pensioners working part- or full-time decreased by 60 percent while the number of people in early retirement or retirement due to disability increased by 15 percent.

The Hungarian population's real income gradually decreased from 1990 to 1993, by then it only reached 93.3 percent of the 1985 level. In 1994, the KSH found a 3.7-percent increase in real incomes. (The trend has again changed in 1995, the prognoses calculate with an 11-percent real income decrease.) Inflation, the decrease of real incomes, the increased number of dependents, and the falling consumption show a large degree of differentiation in incomes. The difference between the smallest and highest average incomes is more than seven fold, the gap is rather large even in international comparison. In 1994, 45.9 percent of a household's income came from the main place of employment, which shows that, in an "average family," welfare and illegal incomes have become dominant. The KSH says that, according to the household panel surveys, some 25 percent of the population lived below subsistence level in 1994. People on low income spent 35.6 percent of their total spending on food stuffs and around 20 percent on housing. (The proportions have continued to deteriorate this year.)

At the same time, the KSH indicates that, from the viewpoint of the quality of life, the housing situation, telephone supply, the general possibility to use infrastructural services, the number of cars per family, and the construction of holiday homes have significantly improved in the past five years. However, the population's health has deteriorated—while the proportion of smokers and alcoholics shot up—and the proportion of people having to rely on various welfare provisions has been increasing. The KSH also indicates that public security has continually deteriorated since 1990, and the proportion of violent acts and economic crimes has been increasing among criminal acts.

After all this, many people will probably be surprised to hear that, on the quality of life list, the United Nations' annual report—which is partly based on country statistics—ranked Hungary in 28th place among the surveyed 173 countries. Of the former eastern bloc countries only the Czechs rank above us. According to the UN report—and this is treated at its value by the KSH study—the domestic quality of life is better than is perceived by the majority of Hungary's citizens.

Izetbegovic Insists on Opening Up Gorazde

LD1611220895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 16 Nov 95

[FBIS Translated Excerpt] The negotiations are in their final phase, and it is like approaching the peak of a mountain: The higher you climb, the more difficult it gets. The most difficult crags remain. This is how Alija Izetbegovic, president of the presidency of Bosnia-Herzegovina, picturesquely described the talks in Dayton, according to sources close to the Bosnia-Herzegovina delegation.

No one is making public statements about details. However, the position that the Bosnia-Herzegovina negotiating team adopted prior to its arrival in Dayton has, basically speaking, not changed. To put it simply, this is: A unified Bosnia-Herzegovina, and a unified Sarajevo, and the opening up of Gorazde. [passage omitted]

Gorazde must be opened up, and we are not retreating from this position. This is President Izetbegovic's standpoint, it has been learned from sources close to our delegation. In line with earlier standpoints, it is to be expected that the Bosnia-Herzegovina delegation will insist that Gorazde can be reached along a safe road and via safe territory. It is possible that some alternative road can be found.

As regards Srebrenica and Zepa, the Bosnia-Herzegovina delegation is seeking some kind of special status for them. [passage omitted]

Milosevic's Position, 'Cooperation' at Talks Viewed

AU1611201895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 16 Nov 95

[Report by Envera Selimovic from New York]

[FBIS Translated Text] We agree that refugees from Velika Kladusa and Cazin, currently residing in the reception center in Kuplensko in the Republic of Croatia, should return immediately to their homes with full guarantees of their dignity and safety, reads the agreement signed in Dayton. In order to facilitate the speedy and safe return of refugees, the relevant authorities of the parties, the signatories of the agreement, have pledged full cooperation. The return of refugees will commence immediately after the arrival of Croatian and Turkish police forces to the area of Velika Kladusa and Cazin. The arrival of 50 Croatian and 50 Turkish policemen has been specified in the agreement signed in New York at the end of last month at the level of foreign ministers of the Republics of Bosnia-Herzegovina, Turkey, and Croatia. The agreement specifies that 100 Bosnia-Herzegovina policemen should also take part in the return process.

We have learned unofficially that another document is in the making, on the basis of which a council for cooperation will be established; the council would regulate economic relations between the Bosnia-Herzegovina Federation and Croatia. Journalists' circles have assessed that the cooperation council could be a sort of replacement for the earlier proclaimed confederal relations. Moreover, there is speculation that, in the future, such a council could be formed between the Serb entity and Belgrade. Everything is still speculation, but it does make sense to a certain extent, particularly if one takes into consideration the United States' efforts to reconcile the almost irreconcilable: an integral Bosnia-Herzegovina, requested by the Bosnia-Herzegovina Government, and attempts by Milosevic's negotiating team to leave the door ajar for the so-called Serb entity. The establishment of a security council [as heard] would leave Bosnia-Herzegovina intact, but it would also to a certain extent satisfy the other side's demand for respect for the Serb entity, journalists speculate. However, the most important thing is that the [word indistinct] would be the republic. In the case of Zagreb-Sarajevo, that is, Zagreb-Federation, the signatories are Izetbegovic and Zubak. The same would be true tomorrow if the Serb entity were to want to establish parallel links with [words indistinct]. The republic would be an unavoidable subject.

As far as the negotiations themselves are concerned, there is no visible progress in issues regarding constitutional and territorial issues, so that a Copernican turnabout — as diplomatic circles like to say — could be expected during Christopher's upcoming visit to Dayton. The less sophisticated would call this arm-twisting or banging a fist on the table. Only if this is the case can rumors that the signing ceremony could be held at the beginning of next week in the White House or at the Wright-Patterson Air Base make any sense. Namely, protocol is having problems with how to arrange things with Slobodan Milosevic, around whom the U.S. Administration is weaving a partly visible and partly secret web. It is highly unlikely that Clinton can afford the luxury of shaking hands with the Butcher of the Balkans in the White House. It remains unclear, however, whether the news about Karadzic and Mladic and the charges of genocide from The Hague, announced today are a sort of last- resort pressure on the Serbian negotiators. It is quite clear to Milosevic that there is a fine line between disclosing and not disclosing the justified suspicion that he was involved in Bosnian events, particularly Srebrenica and Zepa. It is obvious that Western pragmatism could save him because the West wants to have a strong negotiator even if he is a dictator. The magic word is cooperation; however, to what extent Milosevic will be cooperative actually depends on to what extent he is capable of living under the regime of sanctions.

Lately, following the agreement on eastern Slavonia, Milosevic has become significantly tougher, sources close to the negotiations claim. We will know just how tough or soft he is when the constitutional arrangements, territorial division, the status of Sarajevo and the two corridors — the Posavina and Gorazde corridors — are made public. These issues continue to be the most controversial issues.

Croat Council Rejects Exchanging Posavina Area

AU1711121695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 17 Nov 95

[FBIS Translated Text] The following statement in connection with the Dayton negotiations has been received from the Public Relations Office of the Croat National Council of Bosnia-Herzegovina:

On the basis of the many reports that have been arriving over the past few days, [words indistinct] that the Dayton talks are characterized by huge pressure on the Bosnia-Herzegovina delegation to agree to territorial solutions, which contradict Bosnia-Herzegovina's vital interests and [word indistinct] principles of international law.

One such example is the issue of Bosnian Posavina, about which [words indistinct] several times during the negotiations [word indistinct] U.S. mediators [words indistinct] exchange the Bosnian Posavina for the Serb regions in western Bosnia that were recently taken by the Croatian forces. This agreement was [word indistinct] with U.S. mediators (?as a basis) that [words indistinct] to present Bosnian Posavina to the Serbs. [passage indistinct]

The Croat National Council of Bosnia-Herzegovina expresses its support for the Bosnia-Herzegovina delegation in rejecting such a trade with [word indistinct] people, and that [word indistinct] on solutions that lead to reintegration of the country [passage indistinct] their responsibility and the responsibility of their governments for what is already now an easily anticipated consequence of this forced and unprincipled [word indistinct] agreement: A general crisis of confidence in the norms and values of the international community, as well as the very likely resumption of war in the Balkans, the statement by the Croat National Council of Bosnia-Herzegovina says.

Commentary Assesses Peace Talks, Federation

AU1611132995 Rijeka NOVI LIST in Serbo-Croatian 12 Nov 95 p 4

[Commentary by Jelena Lovric: "Tudjman Sacrifices Herzeg-Bosnia"]

[FBIS Translated Text] Only yesterday it seemed it would never happen, but again it has been signed: Herzeg-Bosnia will be dissolved, Mostar will once again be one town. And only some 10 days ago, President Tudjman bawled out the journalists who used the term "so-called" before the name of that quasi-state. He snarled that Herzeg-Bosnia could not be called that way, that it was an internationally recognized entity, and that it would not dissolve at the same speed as the Federation of Bosnia-Herzegovina gains life. Simultaneously, Mijo Brajkovic, the first man on the right bank of Mostar, claimed that the Croats "would not give an inch." Polemicizing with the European administrator Koschnick and his insistence on Mostar's not being turned into Berlin, with the river Neretva as the wall, Brajkovic has repeated the concept of Kresimir Zubak, who as early as last spring stated that there would be no united Mostar at all, that it would be prevented by every means, "politically and in any other way, no matter whether one likes it or not."

Now Tudjman and Zubak have contradicted themselves. The Washington Treaty, reached a year and a half ago, has been confirmed in Dayton. Even then, one could have understood that the days of Herzeg-Bosnia were numbered. Meanwhile, subsequent explanations have been different, it has been said that the Herzegovinian para-state was necessary as long as Bosnia and Croatia were not bound in a confederation. Relations with the Muslims had been sliding and sharpening, until the Bosniak sources recently expressed alarm that the situation is similar to the one on the eve of the Croat-Bosniak war.

With the agreement on strengthening the Croat-Bosniak Federation, Washington is being given a new chance. The start of the Federal Government also marks the end of the existence of the bodies of authority of the self-styled Croatian Republic of Herzeg-Bosnia, established four years ago. Its authorities are being transferred to the federal level. That is perhaps the most obvious, most fascinating result of the agreement of the Croats and the Bosniaks in Dayton. In fact, Herzeg-Bosnia is not even mentioned in the text of the agreement, it says that "civilian authorities in the territories under the control of the HVO [Croatian Defense Council]" are to be dissolved; Mostar, as one united town organized in six municipalities, is the second clause of the agreement from which it is possible to tell what was, in fact, agreed upon in America. The Croat side has given up the division of the town into Muslim and Croat parts with the river Neretva as the administrative and ethnic border.

Undivided Entity

However, this spectacular turn is the sign that the Federation, agreed upon in Washington, is now getting the institutions that will enable it to function as a united, undivided entity. U.S. Secretary of State Christopher says that "the agreement introduces the Federation into life." The Republic transfers very important authorities to it, and maintains for itself those authorities necessary to preserve the continuity of the country's sovereignty — foreign affairs and trade, civil coordination of the army, common monetary and customs policy. It leaves defense, police, energy, industry, taxes, judiciary, education, and culture, to the Federation. The Federation will form "common political and economic institutions that will unite two ethnic communities." The slow development of the institutions of the Federation is one of the serious reasons for the failing of the Washington Treaty. Besides, Christopher quotes also the restrictions in movement and the division of Mostar. He claims that both sides promised to change that.

In the field of economic relations, the establishment of a monetary and customs union has been planned. A big stumbling block will be removed by a common currency. The common income administration and budget will balance the relations of the territories under Croatian and those under Muslim control. The establishment of the Federation has hitherto been disabled also by the fact that salaries and pensions in the Croat-controlled territories, thanks to Croatia, have been several, even 10 or more, times bigger that in the territories under the control of the Bosniak Army. By the agreed realization of the Federation, one of the most painful problems should also be removed — the return of all the refugees and displaced persons, and freedom of movement in the whole territory of the "entity", as well as the unification of Mostar.

First Step of Peaceful Solution

The Dayton agreement is the first step in reaching a global peaceful solution. The first step that says what the solution will be like. U.S. Secretary of State Christopher says that the Federation is the bedrock for peace in Bosnia-Herzegovina. The point in question is the model of "interethnic cooperation and mutual trust," "the peoples of Bosnia-Herzegovina have got another chance to prove that they can live together again." "If the Federation can survive as a multiethnic democracy," there is no reason not to apply that model more extensively. The quoted agreement signifies in fact the defeat of the policy of ethnic separation, of the policy that claimed that the members of different nations cannot go together, of the advocates of the impossibility of coexistence, of ethnically clean areas. It is the defeat of the policy and the logic that was creating war. It is the negation of everything that those who are now signing such documents have done. The defeat of those who are responsible for everything that has been happening hitherto.

Is there any chance that the agreement will come true or the situation will be the same as after Washington? Remembering that loudly celebrated agreement, which lost its vigor very quickly, Izetbegovic says that it has not fulfilled expectations, and that he hopes it will not happen again. Tudjman salutes the agreement as an important step toward the end of war, states that the people who can make it come true should be supported, and — which is very indicative — does not mention confederation, but talks about the Federation "leaning" on Croatia. However, international arbitrators do not trust sweet words any more. Christopher says that its implementation is the most important for the agreement. The Federal partners will deliver a report every two months to the United States, Germany, and the European Union about their achievements. This, as well, is something that could indicate that this time everything is much more serious.

International Pressure

It is not guaranteed by those who have put their signatures down in Dayton. Their state of mind is not such to grant peace. But peace will be achieved by the force of will of the international factors. First of all, of the United States, which has invested the prestige of its new position as the world's only superpower into the solution of the crisis in the Balkans. They cannot go down at their first task.

For the same reason Germany, too, cannot allow Koschnick's defeat in Mostar. Because it would not represent one man's failure, but the failure of German policy. The European administrator, before the ministers of the European Union, recently threatened to resign. Having admitted that he was successful only in the reconstruction of the town, and perfectly powerless in establishing links between "the divided national groups in Mostar," he stated that the problem is not so much in the citizens, but in "the policy of refusing such a solution on the part of the leading section of the Herzegovinian Croats." Neither Koschnick, nor Germany, nor the international community will tolerate that such individuals and groups spoil their work. In that sense, all kinds of pressure could be expected.

Some of the most powerful pressure comes from the indictments from The Hague, which slowly, but surely, tighten the noose. The circles close to the International War Crimes Tribunal claim that soon charges will be brought against several Croats. The Procrustean bed situation, in which Milosevic found himself after the Hague roll-call of Sljivancanin and company, could repeat itself on the Croatian side: if he does not extradite them — bad; if he does — again it could be bad, because he cannot be sure where the unraveling of the crime will stop.

SDA Says Neretva HDZ Stalling on Federation

AU1611210595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 16 Nov 95

[Report by Fazlo Dervisbegovic]

[FBIS Translated Text] Sessions of the interim municipal assemblies in the Neretva Canton, in Jablanica, Konjic, Prozor, Capljina, and Stolac, which were supposed to adopt the decisions of federal arbiter Mr. Robert Owen, should have been held by 15 November. The sessions were held only in Jablanica and Konjic, while in Prozor, Stolac, and Capljina they have not even been scheduled to this very day.

Omer Cevra, chairman of the Capljina Party of Democratic Action [SDA] executive committee, said that based on earlier experience in dealing with the representatives of the Croatian Democratic Community [HDZ] in Stolac, Prozor, and Capljina, namely, that they would not implement in time what was agreed, and particularly that they would not observe what was agreed, we held a meeting of the SDA executive committee on 7 November and on the same day submitted a request to the Capljina interim municipal assembly, Chairman Mr. Mile Buric, HDZ Capljina president, and the municipal governor. The request reads as follows:

We request that you schedule a session of the Capljina interim municipal assembly by 15 November, at which the arbiter's decisions would be adopted with the goal of speeding up the establishment of the Bosnia-Herzegovina Federation; all this is in accordance with earlier agreements reached at the level of top SDA and HDZ leaderships, and recommendations of the federation mediators' international mission. It is our obligation to observe the arbiter's decisions, and that is why we request that you schedule a session of the interim municipal councils in the specified time limit.

However, all efforts invested by the SDA representatives from Prozor, Stolac, and Capljina to schedule the sessions of the interim municipal assembly within the specified period, as well as Mr. Owen's request, and agreements between the SDA and HDZ representatives at the federal level, have remained a dead letter.

Kasagic Interviewed on Talks, Hague Tribunal

AU1611201495 Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 8 Nov 95 p 4

[Interview with "Serb Republic Prime Minister-Designate" Rajko Kasagic by Dusanka Stanisic; place and date not given: "Belgrade Is Unavoidable"]

[FBIS Translated Excerpt] [Stanisic] At the latest session of the National Assembly of the Serb Republic in Bijeljina, Minister Rajko Kasagic was elected prime minister of the new, fourth, government of the Serb Republic. Who is the man who is taking over the government of the "Serb Republic" at this crucial time for the Serbian nation? (I am asking you this, Mr. Kasagic, on behalf of those who do not know much or not everything about your role so far).

[Kasagic] Thinking about myself has never provided an answer to the question of who I am. Reality may provide it. This is the only possibility for a Serb to survive under the present heavy burden caused by foreign tricks and domestic carelessness.

I lived, worked, and completed school in Mostar, Tuzla, Novi Sad, and Belgrade. During summer vacations, I always worked in Budva and Crikvenica, which meant that I did not have to worry about money during the school year. I graduated from Belgrade Law School. In post-graduate study, I specialized in the legal aspects of foreign trade at Belgrade and Banja Luka Law Schools. I obtained my master's degree from Banja Luka Law School in the field of commercial law. I took a course in management at the Institute of International Management in Belgrade. I passed the qualifying examination for judges at the Supreme Court of Bosnia-Herzegovina in Sarajevo. I have worked for 20 years in the economic field. I started working as a trainee on legal tasks and reached directorial level. I worked in state authorities for approximately six years, as the secretary of a communal inspectorate, and now I am the chairman of the Executive Committee of the Communal Assembly of Banja Luka. In the field of culture, I lead, together with a group of enthusiasts, the "Petar Kocic" Banja Luka-Belgrade Foundation, which has published 12 works in the less than two years of its existence.

[Stanisic] The statement you made in Bijeljina immediately after your election was very convincing. Among other things, you said that you would apply the "Banja Luka recipe" to the work of the government. What is "the Banja Luka recipe" and, assuming this recipe existed before you mentioned it in Bijeljina, why was it not applied earlier?

[Kasagic] It was necessary to change the organization of work. It was necessary to get rid of superfluous employees, so we now have 240 administrative employees instead of 440. In this way, it was possible to remove those people who did not want to work and who only disturbed those who show responsibility in their work. This also made it possible to check the accomplishment of tasks in all departments regularly and to solve issues in ways that are not only according to someone's connections. The head of a department must always be the model for his subordinates, regarding both behavior and work. He cannot be less competent than his assistants and he cannot be inactive, but, on the other hand, the conditions for mutual confidence and honest behavior must be created. Everyone must accept justified criticism. Gossip is always possible, but it normally stops in a climate of openness.

This way of working has, for the first time, enabled the administration of the Commune of Banja Luka to complete 99.5 percent of all cases. All this can be achieved with a harmonious team that has a clearly defined goal, the fulfillment of which is regularly controlled.

[Stanisic] You have taken over a very responsible function in a very dramatic situation, which is especially difficult and complicated in the region where you were born. Mr. Karadzic, the president of our state, says that you, as a person born in Krajina, can take on this post and achieve more than others in terms of quickly finding a solution to the difficult situation in Krajina.

[Kasagic] The syndrome of the Serb Republic of Krajina affected the Banja Luka region a long time ago, just as, in the time of Emperor Dusan, the anathema of Patriarch Kalista of Constantinople against the Serbian state exerted the utmost pressure on the westernmost part of the Orthodox world. Knowing the stubbornness and patience of the Catholics and their wish to spread to the east, it is possible to find a remedy against them. They are successful only because of inter-Serbian clashes and divisions. They find supporters among us who help them to be active.

Nothing could have been done when we had to leave three hydroelectric power plants on the Vrbas River in only several days, around 460,000 hectares of high-quality forest, the best gypsum mine in Europe, a factory for ferrous silicon etc. We are again living without electricity, in total darkness. The Serbian people saved and invested money in the repair of the hydroelectric power plants, which they then had to abandon without even trying to defend them. The Krajina soldiers who were successful warriors on all Serbian fronts and conquerors until the 89th minute have been humiliated now. An own goal has been scored against them. This is a heavier burden than the four-year war we have been waging. [passage omitted]

[Stanisic] A question that is not directly connected to the government. You have a lot of political experience, so I would like to hear how you would assess the outcome of the present negotiations in Dayton.

[Kasagic] The United Nations observers who are on the territory of the Serb Republic with the task of controlling the cease-fire do not believe in peace. They have not found another war yet, so that they do not want to become jobless. I want peace, but, in my opinion, the United States and Russia have made the conflict in the former Bosnia-Herzegovina a major political issue, and the solutions are in front of their eyes. They have to introduce peace in this region at least before the outcome of the election in Russia. The peace will so fragile that the fuse could start to burn at any moment. It is not impossible that the Croats, motivated by their success, will once again try to attack the western part of the Serb Republic. We have to be ready for that. I do not believe that we will return more than 3 percent of the territory through the negotiations. It can be expected that only the part returned will be that which was occupied after the cease-fire agreement was signed.

[Box, p 4]

Kasagic on the Requirement That Karadzic and Mladic Resign

Kasagic told SRNA that there are evil intentions and new conspiracies against the Serbian population behind the U.S. requirement that President Karadzic and General Mladic should resign.

"The United States and the Muslim authorities in Sarajevo will not decide on any personnel changes in the Serb Republic, but only the Serbian people are entitled to elect their representatives in free democratic elections."

He added that "in the next stage, the United States could demand that Serb officials should be extradited to the international war crimes tribunal in The Hague, which would mean that the whole of the Serbian population was charged with alleged crimes."

The prime minister-designate stated that the accusation against the Serbs was prepared even before the war broke out and was aimed at absolving Germany for the genocide it committed in World War II and the invention of a new Nuremberg trial.

Kasagic sees a lack of objectivity in the international community on the basis of the fact that the Muslim and Croatian leaders have not been held responsible for the crimes committed against the Serbian population.

"In several days, Croatia expelled 250,000 Serbs from Krajina in front of the whole world. Later, the Muslims and Croats expelled a further 150,000 Serbs from the western parts of the Serb Republic," Kasagic added.

Commenting on the Dayton negotiations, he warned that the "civil war in the former Bosnia-Herzegovina has become such a political issue that it is difficult to expect that a permanent solution can be found."

[Box, p 4]

Checks Remain Effective?

At the 34th session of the government, which was presided over by Dusan Kozic, the prime minister in resignation, a bill on the introduction of war taxes was adopted, as well as the proposal for the regulation of financial security of disabled veterans and their families. After a detailed discussion, the proposal for the decision on the exemption from payment of the turnover tax for the oil needed for the autumn sowing was adopted, so that the price of oil for farmers will be 1.40 German marks plus 30 para per liter.

The bill on economic cooperation between the Serb Republic and Greece was also adopted, with the statement that Greek businessmen are very interested in long-term investments in the fields of energy-supply and telecommunications. So the government will, by 20 November 1995, select a delegation that will travel to Greece.

The bill on the law regarding the compulsory introduction of checks was also adopted. A working group consisting of representatives of the government, the National Bank, the Finance Ministry, and the Payment Transactions Service should take measures and undertake activities to reestablish payment transactions with the FRY. In cooperation with the National Bank of the FRY, the National Bank of the Serb Republic should find cash for certain needs of the Serb Republic. The Market Inspection Service, the Public Revenue Administration, and the Financial Police should take the take the fastest-possible measures for the materialization of Article 17 of the Regulation on the Compulsory Introduction of Checks.

Hague Brings New Charges Against Karadzic, Mladic

*AU1611133495 Paris AFP in English
1334 GMT 16 Nov 95*

[FBIS Transcribed Text] The Hague, Nov 16 (AFP) — The International Criminal Tribunal for the former Yugoslavia announced Thursday new genocide charges against Bosnian Serb separatist leaders Radovan Karadzic and Ratko Mladic in connection with the Serb capture of the Moslem Bosnian enclave of Srebrenica last July.

The two Serb leaders have already charged with similar offenses for their part in the siege of the Bosnian capital Sarajevo.

Arrest Warrants To Be Issued

*AU1611194895 Paris AFP in English
1922 GMT 16 Nov 95*

[FBIS Transcribed Text] Washington, Nov 16 (AFP) — International warrants for the arrest of Bosnian Serb leader Radovan Karadzic and his army commander Ratko Mladic for war crimes will be issued soon, the chief prosecutor of a UN war crimes tribunal for the former Yugoslavia said here Thursday.

South African judge Richard Goldstone said he was "cautiously optimistic" that the two Bosnian Serb leaders will stand trial on charges of genocide in the mass killings of civilians in the three-and-a-half year Bosnian war.

"International warrants for their arrest will be issued soon," Goldstone told reporters following talks with US Deputy Secretary of State Strobe Talbott and the director of the Central Intelligence Agency, John Deutch.

Karadzic and Mladic were indicted in July by the International Criminal Tribunal for the former Yugoslavia on charges of crimes against humanity and genocide, most notably in the sniping campaign against civilians in Sarajevo.

On Thursday, the international tribunal added new charges against Karadzic and Mladic in connection with the mass murders perpetrated in the Serb attack on Srebrenica in July.

Goldstone also said that for the first time a Bosnian Moslem would be indicted, saying that the Dutch authorities were detaining the suspect at the request of the tribunal.

"He is not indicted but we have strong evidence that he is clearly involved," he said.

Asked about a possible future indictment of Serbian President Slobodan Milosevic, Goldstone said "if they have not been indicted, there is no evidence."

On Wednesday, Goldstone said he had received assurances from key US officials that war crimes indictments against the Bosnian Serb leaders were "non-negotiable."

The International Criminal Tribunal for the former Yugoslavia has so far indicted 52 individuals for war crimes, the most notorious of whom are Karadzic and Mladic.

Goldstone earlier this month had complained about the US failure to cooperate in sharing information about atrocities committed in Bosnia but he said Thursday that the United States and the Netherlands were "giving full cooperation" to the tribunal.

Bosnian Croats Will Not Hand Over Those Indicted

LD1611181795 Belgrade TANJUG in English 1746 GMT 16 Nov 95

[FBIS Transcribed Text] Belgrade, Nov. 16 (TANJUG) — Lower House Speaker of the Bosnian Croat Republic of Herzeg-Bosnia parliament, Ivan Bender, said Thursday Herzeg-Bosnia authorities would never hand over to the U.N. tribunal their political and military leaders indicted for war crimes.

Quoting Bender's statement, Radio Herzeg-Bosnia said the report on the indictment of President of the Croatian Democratic Union for Bosnia-Herzegovina Dario Kordic and Bosnian Croat Army Chief of Staff Gen. Tihomir Blaskic had caused a lot of uneasiness in Herzeg-Bosnia.

The international war crimes tribunal for the former Yugoslavia on Monday indicted six prominent Bosnian Croat officials for war crimes committed against Moslem civilians in Central Bosnia between May 1992 and May 1993.

The indictment said they had committed crimes against humanity, saying they had committed atrocities individually or in a group against Moslem civilians or had known that their subordinates were planning such crimes and had done nothing to prevent them.

All six Bosnian Croats are members of both the Bosnian Croat Army and the Croatian Democratic Union, the ruling party in Herzeg-Bosnia and neighbouring Croatia.

Just a day after the tribunal had filed charges against them, Croatian President Franjo Tudjman Promoted Gen. Blaskic to Inspector of the Croatian Army Chief Inspectorate.

Canton Head Views Rebuilding, Abdic Treason

AU1611135995 Ljubljana OSLOBODJENJE (European Edition) in Serbo-Croatian 2-9 Nov 95 p 5

[Interview with Mirsad Veladzic, president of the Una-Sana Canton in northwestern Bosnia-Herzegovina, by Sefko Hodzic; place and date not given: "The Bosniaks Defended Their Homes"]

[FBIS Translated Text] Until two or three months ago, the Una-Sana Canton was a small enclave over which Karadzic's and Martic's chetniks were licking their chops, and Fikret Abdic was dreaming that there would be something in it for him, too.... Today, it takes more than a day's ride in a fast car to do a tour of the canton.... So that is good reason for an interview with Mirsad Veladzic, president of the canton.

[Hodzic] How much of the canton is free and how much is still occupied?

[Veladzic] About 90 percent of the territory that belongs to the canton, according to the registry [knigovodstveno], has been liberated. However, we have also liberated areas that do not belong to the Una-Sana Canton; it turns out that we have liberated territory the size of our canton in the Krajina [western Bosnia]. But we are unencumbered by cantonal borders. We want the Republic of Bosnia-Herzegovina to be free within all its borders. In other words, our goal is not the borders of the canton, but the Drina River, to free all of Bosnia-Herzegovina.

Burned Down Homes

[Hodzic] Which liberated areas do not belong to the canton and which parts are still occupied?

[Veladzic] According to that scheme, Bosanski Petrovac does not belong to our canton, although it does belong to Bosnia-Herzegovina. Parts of the Municipalities of Bosanski Novi and Prijedor are still occupied.

[Hodzic] Our country has expanded a lot on the western side. To what degree have the cantonal authorities managed to "follow" our armed forces and their push for liberation?

[Veladzic] The Government of the Una-Sana Canton places everything that we have at the disposal of the newly liberated municipalities. We are establishing a police force to keep peace and protect property, we are putting things in place for the return of refugees, organizing health services, providing a supply of running water, electricity, and so on.

[Hodzic] How helpful is the Government of Bosnia-Herzegovina?

[Veladzic] Our cooperation with the republic, i.e. the Federal Government, is extremely good. It is very helpful and meets all our demands. Consequently, we are able to help the newly liberated municipalities, both with staff and equipment.

[Hodzic] At what "rate" are the refugees returning, and what are they coming back to? Many houses have been burned down, destroyed....

[Veladzic] Of the 200,000 inhabitants of the canton, about 60,000 have been forced to leave their homes. Furthermore, there are about 60,000 refugees abroad and in central Bosnia. They are slowly coming back. A couple of thousand people have already returned to Bosanski Petrovac, and there is still room for another 7-8,000. Kljuc can accommodate 20,000 people and Sanski Most as many as 50,000! In other words, we have enormous potential for the accommodation of refugees. We can put them up in apartments and houses.

Defense and Survival

[Hodzic] Now that the canton is no longer under siege and with a sizable part of the territory liberated, what are the new tasks of the cantonal authorities?

[Veladzic] When we were under siege, we had two primary tasks: defense and survival. Now we are trying to provide the power needed to revive industrial production. Some 90 percent of the factories have survived. So once we provide the necessary electricity — and we are about to do this — we will also bring our industry back to life. I believe that by 1 November we will have provided sufficient electricity to start production in the textile, wood and timber, and food-processing industries. Moreover, we are working on our autumn sowing, trying to keep it at a high level, as we have enough seed and fertilizers.

Of course, logistical and every other kind of support for our armed forces remains our main task. That goes without saying.

[Hodzic] I should perhaps have asked you about autonomy earlier on.... How is it possible to have treasonous autonomist views in this area, knowing how loyal the people are to the Bosnian state and knowing their Bosniak spirit?

[Veladzic] Abdic is not the sole architect of autonomy. The French and many others also wanted to destroy the state of Bosnia-Herzegovina by dismembering it on the model of Abdic's autonomy. The French invested a lot of money in that. They were at the direct service of Abdic. Abdic also enjoyed great support from the Chetniks from the so-called SAO [Serb Autonomous Province] Krajina, the so-called Serb Republic [Serb-held entity in Bosnia- Herzegovina], and the Republic of Croatia until the Washington Agreement. Abdic wanted to be number one in Bosnia and he chose a path of treason. However, he could not get political support on the territory of the former Bihac district. So then he tried to fight and lost everything.

Abdic Will Go to the Hague

[Hodzic] Do you really believe Abdic is politically dead?

[Veladzic] He is still trying something, some groups in Croatia still support him, but I think he will soon get where he belongs — before the Hague Tribunal.

[Hodzic] Which group opposed Abdic from day one?

[Veladzic] The Party of Democratic Action was the first and main obstacle to Abdic. Unfortunately, Abdic's treason has cost us dearly: We lost more men fighting against his autonomists than against the Chetniks.

[Hodzic] Some 25,000 Bosniaks followed Abdic. How can you persuade them to return from the camps in Croatia?

[Veladzic] About 5,000 of them have already returned. Most of them would come back if they were not being manipulated by Abdic. He is again demanding some kind of autonomy in return for those people. Of course, he will not get anything. He and his followers must realize that they are defeated, both politically and on the battlefield. They were defeated by real Bosniak force, Bosniak perseverance, and the Bosniak spirit, which is the same here in Sarajevo and throughout our country.

[Hodzic] What can we do to make sure that this suffering, the mass graves, the unburied Bosniak soldiers never happens again?

[Veladzic] I do not think that it will ever happen again. From now on, no Bosniak should live without weapons. We have defended ourselves now, but it will be even easier to defend ourselves when we are strong. And then our neighbors will respect us more. We need the balance of fear.... We have shown that we are strong, that our strength lies in our faith, our determination to defend our homes.

[Hodzic] Let me ask you about the cooperation between Bosniaks and Croats, i.e. about the implementation of the Federation.

[Veladzic] There has never been any misunderstanding between the Bosniaks and the Croats in this area during this war. We have fought the enemy and suffered together. We do not have many Croats here, but they have more power in the cantonal authorities than they would be entitled to in terms of their numbers. We wanted to set an example, so that they would also show goodwill and give the Bosniaks who live in their areas the same rights.

Civic Democratic Party Urges Protection of Borders

AU1511194695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 15 Nov 95

[Report by Stevo Latinovic on news conference by the Civic Democratic Party in Sarajevo on 15 November — recorded]

[FBIS Translated Excerpt] Correspondents were addressed by party President Ibrahim Spahic, Vice President Anton Sikic, who is also the secretary general of the Association of Bosnia-Herzegovina Towns, and academician Dr. Seid Vukovic, president of the party's political committee and the human rights commission.

The party president first introduced the party so that it would not be forgotten. It favors peace and freedom of the people, he said. The positions championed by it are advocated by our delegation at the talks in Dayton today.

In previous public appearances, through international contacts, and with its overall activity the party has insisted that the peace plans protect the outside borders and make the internal constitution of Bosnia-Herzegovina fit to ensure communication among all groups of residents, annul the results of the ethnic cleansing and genocide, champion the return of refugees to their homes, and not accept the manipulations with [word indistinct].

One cannot talk about Bosnia's integrity if it is ethnically divided. Only a democratic set-up, whereby freedom and full civic rights are guaranteed to each resident in each part of the country, is acceptable. This must be regulated with the Constitution — a simple, clear, and concise constitution. [passage omitted]

Serb Commentary Assesses Agreement on E. Slavonia

AU1711124295 Banja Luka Srpska Televizija in Serbo-Croatian 2010 GMT 16 Nov 95

[Commentary by Predrag Laketa from the "Vidik" program]

[FBIS Translated Text] After four and half years of neither war nor peace and almost three months of negotiations, occasionally difficult to the point of being red hot, the signatures were finally put to the agreement on the peaceful settlement of the status of the Srem-Baranja region.

The signatories believe that a good foundation has been laid for the definite building of a lasting peace with the introduction of international administration under the patronage of the UN Security Council for the period of one year, and most probably two years. What was established was, or at least this is what is being claimed, international and local mechanisms to guarantee the Serbs in that region that they will not be left to the mercy of the Croatian authorities after the reintegration of these regions into the constitutional-legal system of Croatia, as was the case in western Slavonia and the Knin Krajina.

So, a compromise has been found among the mediators. The Serb negotiating team stresses that it has temporarily given up the idea of linking the territory with the Federal Republic of Yugoslavia, while the international community and the Croatian side have given up the idea of the immediate and definite reintegration of the region into the state and political regime of Croatia. However, after the signing of the agreement, its essence started to be interpreted differently. While the Croats are already celebrating and glorifying, as they said, yet another, this time diplomatic, victory, the Serb negotiating team takes the view that this is only the first and starting peaceful stage toward the preservation of the political sovereignty of the Serb people in eastern Slavonia, Baranja, and western Srem.

According to prominent political analysts, the most that the Serbs have obtained is a high level of protection of human rights in the period ahead. As regards the stand of the international community, its interests, it appears, were best interpreted by one of the mediators in the negotiations, U.S. Ambassador Peter Galbraith.

[Begin Galbraith recording in English with passage-by-passage translation into Serbo-Croatian] Both sides must show flexibility and that is what we insisted upon with both sides. The settlement must reflect the reality of the situation, which is the position of the international community, as well as the objective reality, if you understand what I mean, namely that the settlement has to end up with the peaceful integration into Croatia with strong human rights protections for all the people in this area. [end recording]

The main question that arises after everything that has been revealed is how to implement all the 14 points of the signed agreement. Seen from the side, the text of the agreement contains enviable diplomatic, legal-political, and economic formulations, but the real situation is something completely different. For instance, Point 6 of the agreement states that the highest level of the internationally recognized human rights and basic freedoms will be respected in the area. Then there is a formulation that assumes that all people, regardless of their nationality, have the right to live in the place of their choice and in full safety.

Those acquainted with the political situation in the former Yugoslavia take the view that the political and practical value of the agreement can only be assessed after the UN Security Council passes a resolution that will legalize the agreement and create mechanisms for its implementation.

As we can see, much remains to be done and improved, especially since we are not clear at all how good neighborly relations between Serbs and Croats are going to be established in, say, Vukovar in the future, as envisaged, when well-known Ustasha criminals return to the region and when so much Serb blood was spilt for the liberation of Vukovar. How will the Serbs and Croats work together when it is well known that immediately at the start of the war the Croats embarked on the well planned campaign to kick Serbs out of their jobs, houses, and apartments?

All these are open questions that demand specific answers. We need answers because, if the multicultural, multinational, and multiethnic Yugoslavia could not survive, how was it then envisaged for this model to function in such a small area? Is this case also being used to play the card of double standards, which, as we know, have produced a large number of human casualties and considerable material destruction.

Fortunately, war has been avoided, at least for the time being, but the question remains whether the problem has been solved in this area plagued with dangers or we only have a fragile truce.

Croatians Refuse To Aid Velika Kladusa Muslims

LD1611190295 Belgrade TANJUG in English
1507 GMT 16 Nov 95

[FBIS Transcribed Text] Belgrade, Nov. 16 (TANJUG) — The Croatian authorities are refusing to provide any kind of aid to the 25,000 Muslims who in August fled to Kupljensko, Kordun region in the republic of Serb Krajina, from the town of Velika Kladusa, western Bosnia.

The International Committee of the Red Cross (ICRC) on Thursday issued a statement in Geneva saying that the Muslim refugees are in a grave situation because the improvised shelters cannot protect from the cold, and the most threatened are the elderly, women and children.

The ICRC statement, sent to TANJUG, expressed concern because the Croatian authorities have not allowed the transport of fatally ill people from the camp to the hospital in Karlovac, while doctors refused to provide treatment to those who managed to reach the hospital.

Muslims from western Bosnia in July 1995 declared their republic in protest against the war-mongering policy of the Sarajevo Muslim authorities, headed by Alija Izetbegovic.

The situation in the camp has over the past few days suddenly deteriorated because the Croatian authorities have prevented some non-humanitarian organizations from delivering heating oil and wood, thus making worse the already difficult situation.

ICRC has supplied Kupljensko with 2,000 blankets and 200 tents, and the camp has a drinking water cistern.

The U.N. High Commessariat for refugees (UNHCR) has planned to evacuate to Velika Kladusa 300 women, children and the elderly, but the Croatian authorities prevented this.

Zagreb TV on 'Mistaken' U.S. Policy in Dayton

LD1611202695 Zagreb HTV Television in Serbo-Croatian 1830 GMT 16 Nov 95

[Commentary by Nenad Ivankovic]

[FBIS Translated Text] The Dayton talks increasingly resemble a play for which no complete script exists; it is thus not yet known how they will end. Will they have a happy end, or will they fail?

In all fairness, three agreements have been reached — in connection with the strengthening of the Bosnian federation, its cooperation with Croatia, and the agreement on eastern Slavonia. But, to be honest, we did not need the Dayton conclave for this. Even more so because the Serbs in Erdut and Belgrade held back, according to many foreign military observers, first and foremost because they were positive that Croatia would resolve the issue with arms, if it proved impossible to do it otherwise, and that it was capable of doing so.

However there has been no serious change on the Bosnian problem. The proof of this is Christopher's unsuccessful persuasion of the warring factions, which lasted 14 hours on Wednesday. But what new thing could he have told them as he held in his hands the ambiguous peace plan which is interpreted by every side according to its liking.

In territorial divisions within Bosnia—meaning ethnic divisions in this case—Milosevic sees as a chance to annex the Serb part to Belgrade sooner or later. In the idea of an integral Bosnia, Izetbegovic sees the hope that he would nevertheless have his civic state in the end. Therefore, there is no readiness to compromise when it comes to important constitutional issues, nor on the territorial division and the status of Sarajevo.

I think that the Americans are mistaken in believing that such inconsistencies in the peace plan can be ironed out only by political and other pressure. It would be much more productive if the Americans finally said openly what their political goals in former Yugoslavia really are. Do they wish an integral Bosnia with the full commitment and risks that such a project entails, or its definitive division? Otherwise, the Dayton talks could end as a game of poker which is won by the one who cheats best.

Milosevic's Stance Analyzed

AU1711101595 Zagreb HRVATSKI OBZOR in Serbo-Croatian 13 Nov 95 pp 28-29

[Commentary by Goran Rosic: "Vuk Brankovic in Dayton"]

[FBIS Translated Text] Despite a lot of information and statements (from Milosevic, Izetbegovic, Nicholas Burns, and so forth) on how the peace talks in Dayton are progressing and how in just a few days (according to an anonymous State Department official) they should result in an agreement between the warring factions on a final peace in the former SFRY, there are still very few substantial indications to confirm such an view. Moreover, there is much to indicate that a final agreement is still miles away.

The demand for the removal of Karadzic and Mladic from Bosnia-Herzegovina's political stage and their extradition to the tribunal in The Hague is a key condition insisted upon by Izetbegovic and chief U.S. negotiator Richard Holbrooke, which is preventing any major breakthrough in the peace process. This is because Milosevic will not accept it. He justifies his rejection of it by claiming that the demand was made subsequently and that Holbrooke had never mentioned it during his numerous visits to Belgrade in September and October. The Serbian news agency TANJUG points out that the delegation of the so-called FRY is obliged to reject any new proposal that comes into conflict with the earlier accord. The State Department has rushed to deny such statements by Milosevic and Belgrade and has additionally stressed that, this issue aside, there were negotiations in Belgrade about Serbia's unconditional recognition of the Republic of Croatia and the Republic of Bosnia-Herzegovina and also about improving the state of the ethnic minorities' and human rights in Serbia. That means that Milosevic is obviously playing stupid. To what extent such conduct is merely intended to buy time and deliberately obstruct the peace process, or whether it is indicative of his fear and genuine protection of these war criminals, preventing their extradition to the International Tribunal for War Crimes in The Hague, will become clear quite soon. In The Hague, the two major war criminals from Bosnia-Herzegovina would certainly speak out and reveal many things that would most probably bring Milosevic himself to trial.

The Indictments Are Burdening Milosevic

Therefore it is no wonder that the State Department, in order to apply additional pressure on the Serbian delegation, has made it clear that the Pentagon possesses incontestable evidence that Milosevic and his army chief

Momcilo Perisic knew about the atrocities committed by Karadzic's Chetniks in Srebrenica and that they even coordinated them. As another sort of pressure, aimed at accomplishing the peaceful reintegration of the remaining occupied areas of Croatia as expeditiously as possible—because of the unbending stance of President Tudjman that, as soon as UNCRO's [UN Confidence Restoration Operation in Croatia] mandate in Croatia expires on 30 November, unless a peaceful settlement is achieved, the Croatian police and customs authorities will go in and install themselves on the Danube, that is, on the internationally recognized borders of Croatia by all means available—there have also been indictments issued against three top officers of the former Yugoslav People's Army (Vukasin Sljivancanin, Miroslav Radic, and Mile Mrksic) for dreadful atrocities (ovcara) committed in Vukovar. Those two types of pressure through evidence make it clear to Milosevic that he will have to sacrifice his Bosnian butcher-apprentices (together with Arkan) to avoid being himself stigmatized and indicted as a war criminal. It is quite clear (this is founded on the attitude and the current restrained approach of the United States, France, Britain, NATO, and partly Russia) that if he makes the wrong choice, Serbia and its people will experience a total economic and perhaps even a military disaster as well. Milosevic is certainly well aware of the gravity of the choice or rather the ultimatum that he is facing. However, he still does not have enough courage publicly to announce his decision. As long as he remains silent, there will be no breakthrough in Dayton. In all this, it is most important to point out that Karadzic and Mladic are the symbols and embodiment of the idea of Greater Serbia. Because of their status and presentation in the broad Serbian public (the Serbian opposition, the intelligentsia, and the Serbian Orthodox Church support them in everything they do, as was shown at the most recent meeting of the so-called people's assembly of the Serb Republic, where dignitaries from these organizations and institutions expressed their support for Karadzic's inflated demands), Milosevic cannot yet sacrifice them. By doing so, he would completely ruin his status as the first ever uniter of all Serbs. Given such a possible course of events, the possibility that he could end his life together with his wife Mirjana Markovic after the fashion of Aleksandar Obrenovic and Draga Masin in 1903 [Serbian king and his wife, murdered by a group of extreme nationalist army officers] at Belgrade's Terazije cannot be ruled out at all.

The Leader Is Not Trusted

However, no matter how firm Milosevic is for the time being in his refusal to remove Karadzic and Mladic, there are certain indications that he could still change his current attitude. The best indication of this is the panic that has broken out in the shaken Pale leadership. Statements like "the freedom-loving Serb people in Bosnia-Herzegovina have a right to choose their leadership alone and no occupying force has a right to establish puppet authorities (Miroslav Toholj, Rajko Kasagic, the Patriotic Front, and so forth)" are proof that they place no trust in Milosevic. Concerned for his fate, Knin's rebel Milan Martic is saying that nobody has the right to extradite any Serb to some international court, adding that agreement to do such a thing would be treason against Serbs wherever they may be. Another possible interpretation of such statements is that they are just pressure on Milosevic not to accept such a settlement. Nevertheless, no matter how this dilemma about sacrificing may end, it has crystallized into a very important point in the future destiny of the talks in Dayton and even in Paris or London.

The Mistake of the Americans

This all means that now that it is quite clear that, by demanding the removal of Karadzic and Mladic, the U.S. Administration has made an irreparable mistake, one that has permanently endangered the peace process. Moreover, it has made peace impossible to accomplish. The result of this mistake is the current mutual support and reconciliation of two former major enemies. The best proof of this is that the so-called Patriotic Front, which on many matters (crimes, profiteering, anarchy, and so forth) holds Karadzic responsible and supports Mladic, has issued a statement that the acceptance of such a demand would be a betrayal of the entire Serbian nation. This means, given such a constellation of power and a reconciliation of the two war criminals, that it is not possible to achieve the removal of the entire Pale leadership, and without the fulfillment of that condition, Izetbegovic will not accept any compromise. Had it been solely Karadzic's removal that was being demanded now (and it is for such a possibility that he has prepared by ordering his interior minister to withdraw all the police troops from the front into the towns so as to prevent a coup), everything would have been different. Mladic would have neatly performed his job and probably redeemed himself for his misdeeds in the eyes of the public. However, in this way, even if Milosevic agrees, nobody has the power and the muscle to effect their removal. Karadzic, with Mladic's support, is able to summon the so-called people's assembly at any moment and throw out any solution coming from Dayton, London, or Paris. Thus everything is sliding back to the 1993 situation when Pale rejected all the peace plans proposed.

Failed Serbian Dream

The second controversial issue that Milosevic is dealing with is the fact that a paper has been put on the table in Dayton that refers to constitutional principles. The document entirely rules out any possibility of confederal ties between the Serb entity in Bosnia-Herzegovina and Serbia, that is, the FRY. The guarantee of the impossibility of accomplishing the dream that for many Serbs has never been brought to an end, which is Greater Serbia, is the formula that the Constitutional Court should be composed in such a way (with nine members, of whom four are from the Federation of Bosnia-Herzegovina and two from the Serb republic, while the remaining three are appointed by the European Court of Justice) that it would be rendered totally impossible for the Serb entity to secede from Bosnia-Herzegovina. Decisions would be reached by majority votes. Furthermore, the Bosnia-Herzegovina Presidency, as envisaged by this document, would also have nine members, of whom six would represent the Federation of Bosnia-Herzegovina and three the so-called Serb Republic. The Presidency would have a four-year term, while the chairman would be chosen from among the members. The duration of the term has not been finalized yet, but these two principles also place Milosevic in a very difficult position. In addition to the fact that acceptance of such a solution would again lead to being labelled a traitor to Serbianity, it is quite unclear what Milosevic's attitude is toward the issue of eastern Slavonia, Baranja, and western Srem. In this context, we should pay attention to a letter from the so-called prime minister of the FRY, Radoje Kontic, to Butrus-Butrus Ghali, in which he insists on the extension of the UNCRO mandate. Obviously, the aim is to maintain the status quo on this question as well, as well as to buy time (but for what?).

Fixing Up the Federation

Except for this part of the still somewhat abortive negotiations with the Serbian delegation, Dayton has seen some major advances in relations between the Croatian and Bosniak sides in terms of strengthening and building the Federation of Bosnia-Herzegovina. After the return of President Tudjman to Dayton, in the presence of U.S. Secretary of State Warren Christopher, an agreement was signed with Izetbegovic on the principles of the Federation of Bosnia-Herzegovina (modalities of the cantonal organization of the state, the organization of Mostar into six municipalities, the return of refugees, the monetary system, the government of the Federation, and so forth). Since in Sarajevo, the HDZ [Croatian Democratic Community] and the SDA [Party of Democratic Action] delegations have agreed to further developing relations within the Federation of Bosnia-Herzegovina regarding the economy and finances and a meeting of the governments of Bosnia-Herzegovina and the Federation of Bosnia-Herzegovina has been scheduled for 13 December at which all the principles agreed upon will be expounded, particularly the tempo for the return of displaced people, it is clear that Croatian-Bosniak relations are becoming increasingly strong. This clearly shows the full willingness on the part of Presidents Tudjman and Izetbegovic to cooperate in the peace process. This is certainly an additional pressure on Milosevic, because with the unity of the Croats and Bosniak-Muslims, if the negotiations in Dayton should fail, the towns of Prijedor and Banja Luka will be threatened, as well as the entire Posavina region all the way up to Brcko. This recalls the prospect, which could become topical again, of the Bosnian Serbs getting only 25.71 percent of the territory of Bosnia-Herzegovina (along the Drina) (with any kind of state-legal ties with Serbia out of question).

The Elimination of the Undesirables

Difficulties for Milosevic's negotiating position are also being created by (despite his illness) Yeltsin vetoing the Duma's decisions on unilateral lifting of the sanctions against Serbia. Furthermore, Grachev and Perry have finally reached an agreement on the status of the Russian troops deployed to implement peace (1,500 troops under Russian command, but, according to some sources, their deployment in Posavina, along the so-called corridor, is still being disputed).

In view of all this, it is clear that the main obstacle to any kind of agreement is the Serbian delegation. Milosevic's inflexibility and unwillingness to cooperate might be broken down by further pressure, but there remains the question of who will eliminate Karadzic, Mladic, Plavsic, Krajisnik, Milanovic, Hadzic, Arkan, and so forth. If Milosevic were to accept that, for him Dayton would be another Battle of Kosovo, which means that he would be seen by the majority of Serbs as a new Vuk Brankovic [who betrayed Serbian King Lazar and caused his death in the Battle of Kosovo]. However, if he rejected it, it would cause the complete destruction of his state. For that reason, his only possible choice is Cyprus or The Hague. If he accepts the demand of U.S. and European diplomats, the only solution is their resolve. [sentence as published] However, whether they would go so far as to use NATO to eliminate the undesirables is hard to predict. Be that as it may, it seems that without it there will be no real peace for the former SFRY.

Commentary Says Mostar Arrangements Favor Croats

AU1711124595 Zagreb VJESNIK in Serbo-Croatian 11 Nov 95 p 5

[Commentary by Marko Marusic: "Door Opened for New Improvements"]

[FBIS Translated Text] Hans Koschnick [EU administrator of Mostar] and the (other) mayors of Mostar left for Dayton. That was the news at the beginning of the week. The news surprised many people and it was described as "unexpected," arousing a lot of suspicion as to what exactly it was that had raised the problem of the city under its two-year EU administration to such a high level. It has been raised almost to the level of the issues of the reintegration of eastern Slavonia into the constitutional system of the Republic of Croatia, or of the arrest of war criminals and their extradition to the International Court in the Hague.

On the day when Koschnick, Brajkovic [Croatian mayor of Mostar] and Orucevic [Bosniak mayor of Mostar] went to the peace talks, the spokesman for the European administration, Dragan Gasic, together with the description "unexpected," indicated part of the reasons why Mostar (too) had become a part of the Dayton talks. According to him, one of the reasons is "the current situation in Mostar," together with the obvious fact that Washington is trying to find a global solution for this region, not only to reach a partial and fragile peace, which could very easily lead to even more extreme conflicts.

Even those who know the circumstances only superficially can easily realize that, behind what Gasic called "the current situation in Mostar," there stand the accusations directed against the Croatian side, about which Koschnick had spoken loudly at the meeting of the EU's Council of Ministers in Luxembourg, when he accused the Herzegovina Croats, or rather their leadership, of openly obstructing the "Europeanization" of Mostar, which, according to him, meant inadequate achievements in establishing freedom of movement, joint police forces, and the return of expelled people. There is no doubt about this after Koschnick, Brajkovic, and Orucevic left for Dayton: After Koschnick's parting words, some European countries, not too inclined toward the Croatian version of the Mostar problem, hurried to tell the whole thing to the United States and used Dayton as the opportunity to solve the "Mostar understanding" and (and why not?—they thought) as a means of putting additional pressure on Croatian President Tudjman and Croatian interests in Bosnia-Herzegovina, namely the protection of the Bosnian Croats and their equality, and the implementation of the principle of being "one's own master."

The helplessness that the EU displayed throughout the Serbian aggression against Croatia and Bosnia-Herzegovina, and thus also over the Mostar issue, required—it was decided in Luxembourg—that they drop the hot potato into the hands of Washington. At least temporarily, until the undoubtedly strongest partner manages to "convince" the Croats that Mostar could be different from what they want, even different from the Federation of Bosnia-Herzegovina?!

The Dayton talks are still going on, it is uncertain for how long and what their outcome will be, so at this moment it is not possible to scrutinize the linking of Mostar to other things, principally the inevitable mutual concessions by the interested parties. Concretely, after they have reached an agreement on the implementation of the Federation of Bosnia-Herzegovina, with the annex of principles for the transitory status of Mostar, what would the Croatian or Bosniak side have to do to "get even" in some other disputable issue in the course of the implementation of the Federation of Bosnia-Herzegovina?

The importance of Mostar is doubtlessly extremely great for the complete normalization of Croat-Bosniak relations. Therefore, no matter how (un)expected the presence of Mostar (even) in Dayton is (regardless of some things that preceded the departure of Koschnick, Brajkovic, and Orucevic, and which were not done in a bona fide way), what pleases in this moment is that agreement between the (con)federal partners has been reached (after four previously offered versions).

Who is more (or less) satisfied with the agreement and to what extent the wishes and demands of each of the interested parties have been fulfilled is a different question. VJESNIK's sources claim that in Dayton it has been agreed that Mostar will be organized into six municipalities, which will be able to associate with one another. The city will be administered by a city council consisting of 48 members (16 Croats, 16 Bosniaks, 16 others—five of them necessarily Serbs) and municipal councils (with 25 members each) will correspond to the population structure, whereas those people who were registered in Mostar in 1991 and who are in Mostar now will be able to vote in the elections to be held.

To judge from this, although the official documents have still not been made public, there is hardly any doubt that the Dayton agreement, i.e. its annex of principles on the status of the city of Mostar, has to a large extent satisfied the interests of the Croats, and it will probably require some concessions at the federal level. What Brajkovic and his aides have advocated throughout and what Koschnick often unjustly attacked with accusations about "the erection of new walls" has in Dayton been

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The Dayton talks are still going on, it is uncertain for how long and what their outcome will be, so at this moment it is not possible to scrutinize the linking of Mostar to other things, principally the inevitable mutual concessions by the interested parties. Concretely, after they have reached an agreement on the implementation of the Federation of Bosnia-Herzegovina, with the annex of principles for the transitory status of Mostar, what would the Croatian or Bosniak side have to do to "get even" in some other disputable issue in the course of the implementation of the Federation of Bosnia-Herzegovina?

The importance of Mostar is doubtlessly extremely great for the complete normalization of Croat-Bosniak relations. Therefore, no matter how (un)expected the presence of Mostar (even) in Dayton is (regardless of some things that preceded the departure of Koschnick, Brajkovic, and Orucevic, and which were not done in a bona fide way), what pleases in this moment is that agreement between the (con)federal partners has been reached (after four previously offered versions).

Who is more (or less) satisfied with the agreement and to what extent the wishes and demands of each of the interested parties have been fulfilled is a different question. VJESNIK's sources claim that in Dayton it has been agreed that Mostar will be organized into six municipalities, which will be able to associate with one another. The city will be administered by a city council consisting of 48 members (16 Croats, 16 Bosniaks, 16 others—five of them necessarily Serbs) and municipal councils (with 25 members each) will correspond to the population structure, whereas those people who were registered in Mostar in 1991 and who are in Mostar now will be able to vote in the elections to be held.

To judge from this, although the official documents have still not been made public, there is hardly any doubt that the Dayton agreement, i.e. its annex of principles on the status of the city of Mostar, has to a large extent satisfied the interests of the Croats, and it will probably require some concessions at the federal level. What Brajkovic and his aides have advocated throughout and what Koschnick often unjustly attacked with accusations about "the erection of new walls" has in Dayton been definitely confirmed as the correct understanding of what was written in the Memorandum and Constitution of the Federation of Bosnia-Herzegovina. Now that the delusions and accusations against the Croatian side for obstructing the (con)federation (?!) precisely in Mostar have been eliminated, the door to new improvements has now been opened wide.

Serbs, Croatians Meet To 'Calm Tensions' in East

AU1611173395 Paris AFP in English
1708 GMT 16 Nov 95

[FBIS Transcribed Text] Zagreb, Nov 16 (AFP)—Senior Croatian and separatist Serb military officials met Thursday for talks on steps to calm tension in the last Serb-held area of the country four days after the two sides signed a breakthrough agreement on reintegrating it into Croatia, a UN official said.

The Croatian and Serb military chiefs met in the "separation zone" in eastern Slavonia between their two forces and agreed special steps to "avoid provocation and rebuild confidence" between the Croatian and Serbs disputing the thin-strip of land on the Croatian border with Serbia, UN spokesman Doug Coffman said.

Croatian and Serb leaders last Sunday agreed to allow eastern Slavonia, which was seized by the Serbs in 1991 under the direction of Belgrade's government, to return to Croatian after an internationally-supervised transition period of one year, extendable to two years.

Under the agreement, the heavily militarised area is to be demilitarised and Croatians who were forced out of the territory in 1991 are to be allowed to return.

Speaking in Erdut, the Serb stronghold in eastern Slavonia, Coffman said the meeting Thursday was "very positive."

Serb General Dusan Loncar and Croatian General Djuro Decak "agreed to take all necessary measures to avoid provocation and rebuild confidence," he said.

The United Nations was "optimistic" that Zagreb could soon start withdrawing some of the 16,000 troops it has ranged along eastern Slavonia's western flank, he added.

The Serbs, for their part, were assessed recently to have some 8,500 troops in the area and 1,500 militia.

As a sign of the decrease in tension, schools in the Serb-held sector which have been closed for several weeks, have been reopened, Coffman said Thursday.

Croatian President Franjo Tudjman has insisted regularly that he will retake full control of eastern Slavonia by the end of this year and Serbs had feared a military invasion if they did not sign an agreement for a peaceful return.

Details of the timing and timetable of the return to Croatian control have yet to be made fully public.

Croats Fear Serbs Stalling

AU1611164595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 16 Nov 95

[Report by Nada al-Issa from Zagreb]

[FBIS Translated Text] The only flaw of any peace agreement, even the best one, is that there is no guarantee that it will be implemented on the ground. Croatia has accepted a peaceful solution for eastern Slavonia, but it warned that if it failed, another—to quote President Tudjman—lightning storm [reference to Operations Flash and Storm] would follow.

Zagreb is today impatiently awaiting the president's return from Dayton with one question: Has he brought back Milosevic's guarantee that eastern Slavonia will really peacefully reintegrate into Croatia? Tudjman and Sarinic have promised the citizens that they would be celebrating this Christmas in Vukovar, that refugees would return home, but the rebel Serbs say that this will not be so, and they threaten. Their negotiator, Milan Milanovic, said that he could not see where the Croats had read this. According to Milanovic, everything remains the same. There will no Croatian institutions, telecommunications will function as they have done before, that is, via Belgrade, and the dinar, not the kuna, will remain the currency.

Croatia is still patient, so it is trying to convince the justifiably impatient refugees that they have to wait some more, that there is no need to go to war today, if tomorrow you can enter Vukovar without arms and casualties. However, tomorrow could be in two years, because the Serbs have already announced that they would use their right—granted them by the peace agreement—to keep the international administration in the occupied region for two years. For the time being, Croatia is willing to be patient and hold out for the two torturous years. However, what will happen after they are up? Will the Serbs remain in Croatia, which according to Zagreb, would be a [word indistinct] turnabout, or are they just buying time? This is precisely what the Croats fear.

Causes of HDZ Election Loss in Zagreb Examined

AU1611132695 Zagreb HRVATSKI OBZOR in Serbo-Croatian 6 Nov 95 pp 10-11

[Commentary by Marko Barisic: "Zagreb's Warning to HDZ"]

[FBIS Translated Text] How could it happen that in the parliamentary elections, at the state level, the Croatian

Democratic Community [HDZ] should win an absolute majority (more than 50 percent), and at the same time, at the local elections for the City of Zagreb Assembly, and for the Zagreb County Assembly, it should be defeated convincingly by the opposition candidates? That question is going to be an object of analysis both in the party cabinets and in political scientists' circles. The surprise lies in the fact that the same electorate has voted in two different ways: On the first two forms (for the state list, and for the candidates for the Parliament) they mainly voted for HDZ, while the same people, on the other two forms (for the City and the County Assembly) mostly voted for the opposition candidates. Thus it will probably happen that the HDZ will rule over Croatia, and the opposition will rule over the Croatian capital—Zagreb.

Subtle Croatian Electorate

Where does this subtlety among the electorate in the territory of Zagreb County come from, and how can one explain it? That is to say, so far it has been established opinion that the electorate wants one or the other party, which means, for instance, that if a voter votes for the HDZ state list, that he will also vote for all other HDZ candidates, from state to local level. However, these elections have proved that the Croatian electorate is much more complex than one had so far thought, and that the Croatian electorate shows sensitivity to different levels of the problems faced. Thus, for example, President Tudjman and the HDZ won the unreserved support of the electorate all over Croatia (even in Zagreb) for the state policy carried out with an aim to liberate all occupied Croatian regions and to protect the Croatian people in Bosnia-Herzegovina. Thus Zagreb mostly voted for the HDZ state list (otherwise the HDZ would not have had 45.23 percent of the votes), and in three out of five electoral units in the territory of Zagreb, the HDZ candidates (Domljan, Hebrang, Miksa) won a seat in Parliament, while only in two did the candidates of the united opposition (Tomac and Brkic) "pass." Only—because the same voters, casting their ballots for the City and the County Assembly, mostly decided the opposite—for the opposition candidates.

However, while casting their ballots for the City Assembly, the citizens of Zagreb showed subtlety again: A number of them voted for the HDZ city list (36.55 percent), but they also cast their votes for the biggest election surprise—the SDP [Social Democratic Party] (18.63), and the rest for the HSLS [Croatian Social Liberal Party] (12.87) and HSS [Croatian Peasants Party] (8.01). The probable reason for that is the fact that the bearer of not only the HDZ state, but also the city list, was Franjo Tudjman, and his indisputable charisma attracted a certain number of voters. Otherwise, how can the complete debacle of the HDZ candidates in the electoral units be explained? Out of the total of 17 electoral units, only in three of them did the HDZ candidate win, while the rest fell to the oppositional candidates. With 16 councillors in the City Assembly (which has 50 seats)—the HDZ is, seen individually, again the strongest party; however, the opposition has inflicted a serious defeat on it, and, unless something unexpected happens, the mayor of Zagreb will be chosen from the ranks of the opposition.

The councillors of the Zagreb City Assembly are, at the same time, the councillors of the Zagreb County Assembly. In that institution, they will be joined by 30 councillors elected "out of town" (see the map of Zagreb and Zagreb County). According to the complete, but unofficial results of the elections, half of them are from HDZ (15), and the other half are from various opposition parties. It is characteristic of those out-of-town elections that the SDP did not do well, unlike in the town of Zagreb, where the SDP became the strongest opposition party (only one candidate entered the Assembly from the party list). All in all, in the Zagreb County Assembly, the HDZ is the strongest party again (31 councillors out of 80 seats); however, in relation to the parliamentary election results, HDZ has experienced an unexpected and serious defeat in the elections for both the Zagreb City Assembly and the Zagreb County Assembly.

What About Quality of Life?

What these results actually mean is perhaps best shown by the anger expressed by President Tudjman toward some of his assistants after the election results had been made known. Although he won the elections at the state level, the president knows the importance of the capital, and even clearer is the possible message that the Zagreb electorate sent not so much to him, but to his party and the people at the head of the town and the county before now. Because, if the liberation of the country is completed—somehow—by the end of this year, as has been said on many occasions so far, and if the protection of the Croatian people in Bosnia-Herzegovina is regulated by international agreements at the latest next year, does that mean that "the Zagreb syndrome" could spread a bit further from the capital, even in the next elections for the Chamber of Counties of the Parliament (in a year and a half)? Because Croatia will be liberated then, and Herzeg-Bosnia will be sure of its existence and the electorate will not have a motive for voting for the liberation of Croatian territories, by voting for the president's list. Then, all the voters in the whole of Croatia will consider as important only what the citizens of Zagreb and the surroundings (and some other big towns) considered important when they voted for the city and the county assembly: the quality of life, and an assessment of the success of the ruling set of people. The HDZ team has not passed, if we view the situation through those two segments. Of the absolute majority, it has become a convincing minority, and HDZ party people should particularly be concerned about the fact that their candidates "passed" in only three out of 17 electoral units for the Zagreb City Assembly.

Today one can assert with certainty that the bearer of the city list, Franjo Tudjman, saved the HDZ from a total election debacle in Zagreb, and that the majority of the councillors secured their seat in the City Hall by means of Tudjman's name, and the HDZ secured its position as the strongest party. If anybody else from the HDZ had been the bearer of the city list, it would have been a textbook election defeat.

What Irritates People

The party people from the HDZ will probably make public the culprits for this "Zagreb" defeat. Maybe they will choose a Pedro from their own ranks (there are rumors of this); maybe some of the media, which allegedly carried too much opposition in their programs, will be pointed at; maybe they will start squaring accounts with those among their ranks who are not like-minded, in an even harsher way, or with the opponents in the opposition lines. In one analyst's opinion, if they choose that way, that will be the road to the defeat of the HDZ at the state level, too, in the next elections. For the electorate of Zagreb County did not choose the opposition so much in the hope that it will provide for a better quality of life in a short period of time. The majority of people know that the war is expensive, and they rejoice in the Croatian military victories in which they themselves participate, and which, in the end, have restored the repressed pride of the Croatian nation. By voting mostly for the opposition candidates, the Zagreb electorate voted for the cessation of the arrogant and insolent local authorities, authorities to which public opinion meant nothing, authorities who did not stick to judicial verdicts as "a drunkard holds on to the fence," authorities who very often forcefully implemented privatization and transformation by distributing companies and enterprises according to the system of political fitness. And that is not the worst. For when such and similar irregularities are discovered, when they hit the public, again nothing happens. If the person in question is politically strong enough, he keeps avoiding both the court, and the justice—and goes further the same way—and that is exactly what irritates people the most. Because it means, in fact, that Croatia is ruled through the HDZ by a group that neither has regard for democratic views, nor thinks much of the democratic institutions, one of which is also public opinion. If the election results are analyzed in detail, it is apparent that the electorate has passed their judgment on such HDZ representatives not only in Zagreb, but also in Split, in Rijeka... However, it would be wrong to conclude that it refers only to certain individuals: The style, the method of HDZ rule toward its own people definitely has to be put into the past. The Croats have said "yes" to Tudjman for the policy of liberation of its own territory, for firm relations with the international factors, but the inhabitants of the Zagreb County said "no" to attempts at creating the institution of political (party) fitness in the state institutions, in the economy. They said "no" to too much control of the media, to the fear that appeared with the citizens in their public speech. Of course, they also said "no" to the creation of two kinds of citizens, ones who are "more equal" than others. In the end, by voting for the opposition candidates, many of whom got votes just like that—anybody but the HDZ—the citizens of Zagreb and the surroundings warned the ruling structure that they did not accept the fact that the war had given a bullet to some people, and a fortune to others. The rich, "yes," well-off individuals in any case, but not in a way that the origin of their money and wealth is not known, or the business they are engaged in. And, moreover, as allegedly state people, they publicly refuse to pay taxes to the state.

They Have Forgotten Their Own People

If the people in the HDZ will seriously and honestly deal with those and similar reasons that brought them to the defeat in Zagreb, then the party has a future even after the final liberation of Croatia, and the protection of the Croats in Bosnia-Herzegovina. Otherwise, even tomorrow it could turn into an all-Croatian slap on the face to the HDZ way of governing its own people. Because one cannot object that Zagreb and its surroundings are not Croatian enough. Firm Croatian options have always won here. Once members of the Party of Rights, then the followers of Stjepan Radic, the Croatian Spring Movement occurred here, and at the time of the democratic changes Zagreb was the main stronghold of the HDZ. The fact that the citizens of Zagreb and the inhabitants of its surroundings mainly voted for the opposition candidates for the City and the County Assembly, and that, at the state level, they supported Tudjman's and the HDZ policy of the liberation of the country, tells us enough about themselves, but also about the rule of the HDZ over its own people. The time of undemocratic procedures and methods, during the course of which a couple of political commissars emerge at the surface to rule over everyone and everything—from the banks to the media—has to be put in the past.

That is the basic message of the Zagreb local elections.

IDS Leader Analyzes HDZ's Defeat in Istria

AU1611112495 Zagreb HRVATSKI OBZOR in Serbo-Croatian 6 Nov 95 pp 18-19

[Interview with Damir Kajin, deputy chairman of the Istrian Democratic Association, by Ratko Peter; place and date not given: "Zagreb Will Experience Centralization"]

[FBIS Translated Text] The elections in the Republic of Croatia and the results are still the main topic of all commentaries and analyses. The party lists and ratings on individual lists are analyzed equally frequently. Among the latter, Damir Kajin is the candidate of the Istrian Democratic Association [IDS], one of those whose victory can be described as quite convincing. All the more since the candidates he was competing against in constituency No.8 (East Istria and West Rijeka) were Zeljko Luzavec (Croatian Democratic Community [HDZ]), a candidate of the RIDS [IDS of Rijeka], who was supported by the Socialist Democratic Party [SDP] (the party that is, after all, quite strong in Rijeka), and the typically unpredictable former "bomber from Kvarner islands," Vladimir Bebic. In the opinion of many people, that constituency was the most intriguing, which makes Kajin's success even greater. That was the main reason for a talk with the newly elected assembly deputy from Istria.

[Peter] Mr. Kajin, would you, please, briefly review the elections?

[Kajin] In these elections, it is the HDZ electoral law that triumphed, and now we are living in the period of postelectoral tricks. All this speaks for the character of the authorities, which, had they lost the elections, and I responsibly maintain this, would have resorted to repression in order to preserve their positions. It is also characteristic of these elections that the electorate was redefined in such a way that only the HDZ remained in the right wing, so for that reason it needed to get the Croatian Right's Party into parliament. The political center clustered around the coalition of five parties, while the elitist center, because of some interparty disagreements caused partly by the HDZ itself, and partly because of its political unrecognizability and lack of resolve, lost several percentage points in the voting. The SDP's success ought to be underlined, as well. Still, the most important thing happened in Zagreb, where the ruling party lost its majority, while the left won significant posts in the City Assembly. All this refutes one statement of President Tudjman's that the reformed communists will not come to power in the countries of transition. It is certain that at the moment the socialist democrats will not accomplish that in Croatia, but it is realistic to expect their representatives to lead the Zagreb authorities. That is certainly the most pleasant surprise of these elections. Significant is the establishment of the Istria-Rijeka-Zagreb axis, which could initiate a redefinition of many things, particularly the decentralization of power. Looking at it separately, certain people have singled themselves out, who could challenge the president of the republic at the next presidential elections.

[Peter] You have mentioned the city of Zagreb. In your opinion, it is the most pleasant surprise for the opposition. Many consider it to be the greatest surprise, but also a possible forerunner of the next elections?

[Kajin] There is nothing strange about it, because in big cities the welfare crisis is most obvious, while individuals at the head of HDZ, who came to those cities from rural environments, have adopted socially inappropriate behavior to such an extent that they irritate a great majority of their fellow-citizens. However, the HDZ happened to lose in Istria, Rijeka, Split, Osijek, Medjimurje even before, so that trend has just spread to Zagreb as well. It is certain that in those centers there exists a critical mass that will be decisive for the next elections. The city of Zagreb will certainly demand a status that ought not be any worse than the one it had at the time when the HDZ governed the city. Therefore it should be expected that Zagreb will realize relatively quickly what the policy of centralization is all about, particularly with regard to resources that Zagreb possesses as the largest political, economic and intellectual center. It should be expected that some processes will be initiated, in which Istria will quite certainly participate, because we intend to initiate some long-announced legislations that were suspended because of the elections, and which are in connection with reports made by the observers of the European Council, who visited Croatia from 21 to 26 July. Those reports highlight the problem of local self-government, as well as cooperation between bordering regions and rights of minorities to acquisition of assets that were equal for all ethnic communities in the former system. In our opinion, this is less than what Radic [Stjepan, Croatian politician in early 20th century] himself had advocated.

[Peter] You have carried off a convincing victory in constituency No. 8, which is the western part of Rijeka and a part of Istria. Many people believed it would be a tough run there. However, for you it turned out to be a convincing victory. By the way, in Rijeka the election campaign was particularly severe.

[Kajin] The characteristic of that constituency is that Istria and Rijeka have been artificially divided in two parts, while before it used to be the largest constituency in Croatia by number of citizens. The design was to undermine the IDS by compensating votes on for the IDS a "foreign" ground, which is Rijeka. For instance, Motovun or Oprtalj have been added to the Porec constituency, because the IDS won a great majority there, while Sveti Petar u Sumi, where the relation used to be 50 to 50, has been added to Rijeka. Still, despite the fact that RIDS ran independently, with the support of the SDP, which, in a different constellation of powers, could have seriously robbed the opposition of votes, my victory is convincing. The defeat of the HDZ in Rijeka was certainly influenced by its other part, where the HDZ's candidate Sarinic seriously underestimated his body of voters. In Istria HDZ had frequently made such mistakes even before, and now even in Rijeka one of the favorites of HDZ sustained a defeat. Everything culminated by launching an instant newspaper, which carried in its eight pages as many as seven photographs of Sarinic. I would call that a family album of Sarinic's. In that constituency, the lack of sensible behavior on the part of the Croatian Socialist Liberal Party [HSLS] before the election campaign resulted in additional homogenization of citizens around candidate Slavko Linic.

[Peter] A lot of dust was raised about a right to vote granted to the diaspora. Do you think that all that was designed to benefit exclusively the ruling party, which wanted a two-thirds majority?

[Kajin] It has to do with the fact that for the HDZ the legality of the elections has been recognized, but not legitimacy as well, because otherwise the Croatian political stage would have looked quite different now. In any case we shall propose that a new electoral law be worked out, in order to reduce the role of the diaspora to a real degree. The question is raised how the entire opposition, together with its leaders, would react. The opposition was robbed of votes again. Many things were doubtful in Zagreb, Dubrovnik, or Varazdin. Unfortunately, in this part of the world such things are not so unusual, because they were happening even before. The question is raised whether one should take part in the new Assembly, or to give it up. Everything should be viewed in the context of a possible crisis, and even of such a stable majority if the HDZ took upon itself the right to change the Constitution of Croatia, which I personally expect to be put on agenda right after Tudjman's return from Dayton. The transfer of authority in the field of foreign affairs to the president is the main motive of HDZ's desire to win a two-thirds majority. I hope that the opposition will be unified, and in this conversation I would like to stress the solidarity with the HSLS regarding the Skrabalo case. After all, before the election campaign all the opposition leaders signed an agreement that they will not cooperate with the parties that are not signatories of the agreement even after the elections. I personally believe that it is necessary to try to form a technical government, that would participate in parliament, because I do not believe there will be any breakthroughs, because I am not convinced of the miracles promised in the campaign. Although I am aware that the HDZ will not accept it, I believe that the opposition in Zagreb will propose to the HDZ to participate in the municipal authorities, and that such a model could initiate a different kind of rule. Since we have touched upon the diaspora, just imagine what would happen if somebody proposed to the ethnic Italians in Istria to vote for the Italian parliament.

[Peter] It seems that your election coalition, despite many attacks because of the alleged lack of principles and abandonment of Radic's teaching, has experienced success in the elections. Did you form that coalition only because of the elections, or can we expect it to continue?

[Kajin] Our coalition was formed because of the elections, but I believe that it could become a seed for further cooperation in a whole range of activities or interests. I think that a minimum could be achieved that would not result in one party's being absorbed by the other, but it will rather keep them together. After all, at our election rally at Forum in Pula the audience equally welcomed our candidates, Radimir Cacic and Josko Kovac, which was a confirmation that the citizens of Istria sincerely identify themselves with this state, but not with the political elite at its head. All this has shown that we have Istria's definite support, which gentlemen in the HDZ should finally realize. Owing to our consistency, we do not need to apologize to anybody because of our actions, and we shall be further courageous enough to follow the line supported by the citizens of Istria. All this will mean trouble only to the ruling party, which thinks it is possible to penetrate certain areas by blackmail, threats or buying some people.

[Peter] The election campaign in Istria was quite severe. The HDZ of Istria was announcing victory, and it turned out quite the opposite. In this regard, Mr. Jakovcic achieved an absolute record in percentages bringing him a victory in the elections. Were not announcements by the HDZ of Istria too daring?

[Kajin] Of course they were, and there were also statements that bordered upon bad taste. One of the leaders of the Istrian HDZ, Denis Jelenkovic, says that it is a success that they made it possible for the IDS party list to exceed 70 percent. If that is a success ascribed to the HDZ, then we wish them a lot of such successes in the future (laugh). We have already become indifferent to such a campaign waged against Istria and us personally, and one should know that it is utterly offensive to refer to us and our ancestors as irredentists, separatists or fascists. Despite all this, we shall be further inviting the central authorities to cooperate with us, provided, of course, that they eliminate such vocabulary from their language, as well as that they observe the election results and positive regulations, which have anyway been imposed by the authorities themselves. These elections have shown the mood in Istria, and if President Tudjman fails to understand that, he will be remembered as a historic person, which he certainly deserves and I regard him as such, but also as a person who attempted to disintegrate the prevalent Croatian identity of Istria by always favoring wrong persons there. He played the game there by engaging wrong persons, taking a wrong attitude, and using completely failed rhetorics. We are glad that some people have lost their credibility, which they earned precisely through the IDS, and at the moment they cannot legitimately speak on behalf of Istria.

[Peter] Yes, but the new parliament will take in nine deputies from Istria, some of whom are not even members of IDS at all.

[Kajin] That is a weight carried by the IDS on the political stage of Croatia. I doubt that Istria would have drawn such attention if the IDS had not been active there.

[Peter] What will such election results mean for the further strategy of IDS regarding your coalition? Can we expect there any additional demands for a transborder region, autonomy, referendum, and so forth?

[Kajin] I have mentioned the report worked out by the European Council, and on the basis of those conclusions the policy of IDS will be created in the following period. In other words, that includes a high degree of local self-government, on the model of Western Europe. Transborder cooperation and problems with minorities are our basic goals, which we shall never give up. I think that the very notion of autonomy is prescribed. We want our internal system to be compatible with the Western European one. If the ruling party deems it unacceptable, then we are pursuing an unacceptable policy, but I believe the time has come for many redefinitions. The basis of everything is that the ruling party wants centralization in order to be able to control as much as it can, so for that reason, under the pretext of regionalism, we are being accused of things that we feel are extremely offensive for us, as human beings and as citizens of this country. Since we shall soon remain without any outside enemies, the government is seeking internal enemies, and one of them is obviously Istria, which has already turned its back on the ruling party several times so far. Still, we have shown with this coalition that Istria is considerably different from the image of it created by the ruling party.

Crvenkovski Stresses Importance of PFP Program

AU1611180095 Skopje Radio Macedonia Network in Macedonian 1430 GMT 15 Nov 95

[Address by Prime Minister Branko Crvenkovski following signing of Partnership for Peace program in Brussels on 15 November—recorded]

[FBIS Translated Text] "At the very outset of the process of international recognition and the conclusion of our independence and sovereignty, the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] oriented its strategy toward the maintenance of peace and stability, to the democratization of the political system, to economic reforms, and to joining collective defensive systems. At the very outset, but now even more so, we were assured that this is the best and only way to open up perspectives for the countries in Central and East Europe. In conformity with our general course, the Republic of Macedonia was among the first countries that supported NATO's initiative for the establishment of the Partnership for Peace [PFP] program. With our membership in the OSCE [Organization for Security and Cooperation in Europe], we have fulfilled the last condition for joining this program. We support the regulations of the Partnership for Peace initiative toward more intensified cooperation on a political and military plane in Europe with the goals of strengthening stability and reducing threats to peace. We also support the basis of this program for the public and democratic control of defensive forces and for the promotion of closer multilateral military cooperation. This is the only way to guarantee stability and security in Europe without the formation of new military forces."

Albanian Parties, Macedonians To Resume Talks

AU1611213895 Tirana TVSH Television Network in Albanian 1735 GMT 16 Nov 95

[FBIS Translated Text] Gert Ahrens, the mediator of the international conference on former Yugoslavia, who is visiting Skopje, held a meeting with the representatives of three Albanian political parties in The Former Yugoslav Republic of Macedonia [FYROM] in which he discussed the possibility of resuming talks with the Macedonian side under the supervision of the Geneva conference. For more, here is a telephone report by Imer Ismajli from Skopje:

[Ismajli] At this meeting, the Albanian side was represented by Xheladin Murati and Mevlan Tahiri from the Party for Democratic Prosperity; Alajdin Demiri, presidency member of the Party for Democratic Prosperity of Albanians; and Pededin Ibrahimi, secretary of the People's Democratic Party [NDP].

As we learned from NDP Secretary Ibrahimi, the outcome of this meeting was the decision to resume trilateral talks so as to overcome the ever increasing interethnic Albanian-Macedonian disputes. The three sides agreed that the next trilateral meeting should be held next month.

'Better Albanian' Action Urged for Legislation

AU1711111795 Tirana TVSH Television Network in Albanian 1735 GMT 16 Nov 95

[FBIS Translated Text] The laws recently approved by the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Assembly, such as the Law on Local Self-Administration, the Law on Higher Education, etc., run counter to constitutional provisions in this country and international acts. As we know, the Albanian deputies have voted against these laws for they further intensify discrimination against Albanians in FYROM. For more details, here is a telephone report by Ibadete Hajrullahu from Skopje:

[Hajrullahu] If the final version does not include the demands of Albanians, the bill on higher education will reach a partial and one-sided conclusion. The bill does not envisage higher education in the mother tongue for all communities in Macedonia. The Albanian representatives are categorical in legalizing the Tetovo University and they have provided facts and arguments on the necessity of its existence. These, however, do not contradict constitutional stipulations. As known, this constitution has a dual function, for internal and external use, so the interpretation can be made according to need. Perhaps when the climate is created, political will and increased awareness will be adapted to the objective reality in Macedonia.

The fact that the solutions offered in international conventions are not included in the Macedonian Government texts is very astonishing. Thus the public is faced with the dilemma: Will Macedonia be obliged to respect them or are they only a formality? It is said so because Education Minister (?Zersen) herself asserted that the bill on higher education is above the standards of European conventions. Whatever it is, it is an education policy.

It has now almost become routine that when the bills that affect the interests of nationalities are passed to the Assembly, Albanians react impulsively. Meanwhile, conviction has been created that the institutions where the Albanians are incorporated are a long way from working to their full professional capacity. Perhaps we should not exclude the possibility that the constellation of the Macedonian political forces narrows their operative action. However, this is less believable.

After approval of the laws, it has been publicly stated that we were satisfied neither with the concept nor with the solution offered by the law. It is hoped that with better Albanian political action, in which the intellectual potential will be included, acceptable solutions will be found. However, the other side's awareness should be raised by the confrontation of reality in Macedonia.

Poll Shows Kwasniewski 1.6% Ahead of Walesa

WS1711082595 Warsaw RZECZPOSPOLITA in Polish 17 Nov 95 pp 1, 4

[Report by Renata Wrobel: "Social Research Laboratory's Poll for RZECZPOSPOLITA before Second Round of Presidential Elections; Equal Chances"]

[FBIS Translated Text] *Aleksander Kwasniewski—50.8 percent of the votes. Lech Walesa—49.2 percent. Those would have been the results of the second round of the presidential elections if it had been held on Wednesday, 15 November, four days before the scheduled election date. The poll was conducted for RZECZPOSPOLITA by the Social Research Laboratory [PBS] on a representative random sample of 2,770 potential voters. If we allow for the margin of error—estimated at 2 percent at most—we may interpret this result as a draw.*

New Decisions After First Round

Almost all of the people who voted for Aleksander Kwasniewski or Lech Walesa in the first round remain faithful and intend to back the same candidate. The rest (it is worth recalling that more than 30 percent of those who went to the polls on 5 November endorsed candidates who then dropped out) are facing the necessity of making another choice.

Declarations made by the respondents indicate that Aleksander Kwasniewski can count on the support of former voters of Andrzej Lepper (nearly 90 percent of them), as well as voters of Jan Pietrzak (almost 70 percent) and Tadeusz Zielinski (two-thirds).

Voters who are going to shift their support to Lech Walesa are most of Jan Olszewski's supporters (two-thirds), as well as a little more than half of former voters of Hanna Gronkiewicz-Waltz and Jacek Kuron.

It is possible that those who voted for Janusz Korwin-Mikke and Waldemar Pawlak in the first round will provide equal support for Kwasniewski and Walesa in the second round.

The "original" voters of Kwasniewski and Walesa—that is, people who backed them up in the first round—guarantee either politician approximately two-thirds of the votes in the hypothetical second round. Some of those who did not go to the polls in the first round are now getting ready for action. In the first round, 9 percent of those who now intend to back Aleksander Kwasniewski and 8 percent of those who now want to vote for Lech Walesa did not go to the polls.

Towns Mixed, Countryside Divided

Lech Walesa, just as was the case in the first round, would have won in big towns and cities with over 200,000 residents (56 to 44 percent). Voters of medium-size towns—between 50,000 and 200,000 residents—prefer Aleksander Kwasniewski (57 to 43 percent). Supporters of the Democratic Left Alliance [SLD] leader are also more numerous in small towns (53 to 47 percent). The countryside is split into two nearly equal groups—50.5 percent for Kwasniewski and 49.5 percent for Walesa.

Support for the candidate of the left wing decreases as the age of the respondents increases: Among voters under age 24, he is backed by 61 percent and Walesa by 39 percent, whereas, among people over age 60, the situation is reversed.

The group in which Kwasniewski has the greatest advantage over Walesa consists of people with a high-school education (58 to 42 percent), whereas, in the case of Walesa, people who have finished elementary schools (54 to 46 percent).

We did not observe polarization of views among voters with a higher education—the more popular candidate in this group is Aleksander Kwasniewski, but he is ahead of Lech Walesa by 2 percent only.

The Unemployed for Kwasniewski, Senior Citizens for Walesa

Among the unemployed, Aleksander Kwasniewski is far ahead of his rival (63 percent to 37 percent). Employees of the public sector and of state-owned companies tend to endorse the SLD leader rather than the incumbent president, as well. Kwasniewski is also slightly more popular among people employed in privately owned companies as well as among school and university students.

Farm employees are split into nearly two equal groups. The president is definitely more popular than his opponent among pensioners and senior citizens (58 to 42 percent) and, though not so evidently, among "other nonworking groups" (such as housewives).

Aleksander Kwasniewski is a strong favorite among the poorest people (with a monthly income of up to 150 zlotys [Z] per family member). He also beats Walesa in the group of the richest respondents (especially those with an income over Z500 per family member), although his advantage is not so great here. Among the "average-income" people (with an income between Z151 and Z300), Lech Walesa has a few percent of support more than Aleksander Kwasniewski.

* * *

PBS conducted the poll for RZECZPOSPOLITA on 15 November 1995 on a representative sample of 2,770 adult inhabitants of Poland. Each respondent had 100 points that he could distribute as he wished between the candidates, plus the option of "not voting"; while distributing the points, the respondents took into account their likely behavior on election day. The figures given in the text refer to those respondents who did not select the option of "not voting." The maximum margin of statistical error is estimated at 2 percent.

Walesa Loses Support in Warsaw After 1st Debate

WS1711131095 Warsaw GAZETA WYBORCZA in Polish 17 Nov 95 p 1

[Report by KAB, PAC,: "To Walesa, From Walesa..."]

[FBIS Translated Text] *After the 12 November television debate, Lech Walesa lost some of his supporters. They joined the ranks of disoriented people. Has Walesa regained them after the 15 November debate?*

Warsaw—Last Days' Results

	Lech Walesa	Aleksander Kwasniewski
	Percent	
Elections, first round	35	27
Before first debate	50	21
After first debate	38	24
After second debate	?	?

Compared with the 5 November elections, Warsaw residents polled before the first debate plainly betted on Walesa. The president took over 36 percent of the votes cast for Jacek Kuron (Aleksander Kwasniewski as little as 9 percent, and the rest were undecided). This tendency declined after the Sunday debate, however. In the opinion of 46 percent of those polled, it was Kwasniewski who won it; only 19 percent considered that it was Walesa.

As a result, the president lost as much as 12-percent support, though Walesa's supporters only marginally strenghthened Kwasniewski's position. They rather ended up among the undecided (16 percent before the debate and 20 percent after it) or those who are not going to vote (12 percent—14 percent). The number of those who would cross out both candidates also increased (to 4 percent).

We also asked what people think the candidates should do to receive additional support. The majority of them suggested avoiding a negative campaign.

Walesa was advised to "vow that he will respect democracy and always honor the law" (34 percent), "present himself as a world-known state leader" (24 percent), and "promise good cooperation even with postcommunists" (20 percent). As much as 28 percent, however, would like him to "pledge to contain the commies." His emphasis on religiousness and attachment to the church was deemed unproductive.

Kwasniewski was advised to "vow that he will surround himself not only with postcommunists, but also with people from other camps" (28 percent) and "emphasize that there will be no return to the Polish People's Republic" (27 percent). Twenty-two percent advised him to "state that he will introduce order in the state and have the constitution passed."

Of course, the results obtained in Warsaw are not representative of the entire country. However, they indicate that Walesa lost the first debate by using a mostly negative strategy. Kwasniewski, on the other hand, gained a little but did not even repeat his results from the first round, though he was deemed better on television. The second debate was more calm and even. What impact will this have on the electorate's fluctuations? Will people who were disgusted after Sunday return to Walesa after Wednesday?

* * *

The poll was conducted by RUN beteen 10 and 15 November on a representative sample of 870 adult Warsaw residents.

Poll: Kwasniewski Winner of Debate

WS1611135895 Warsaw TRYBUNA in Polish 16 Nov 95 p 4

[Unattributed report: "Opinions on the First Debate"]

[FBIS Translated Text] More than 80 percent of those polled said they watched the televised presidential debate between Aleksander Kwasniewski and Lech Walesa.

According to 68.1 percent of those who watched the debate, Kwasniewski did much better. Walesa received a higher mark from 18.5 percent. The rest did not have an opinion.

The following answers were given to the question about voting preferences in the second round of elections:

	Percent
Aleksander Kwasniewski	37
Lech Walesa	33
I will vote, but cross out both candidates	5
I will definitely not vote	10
I do not know yet	15

On the basis of answers given by those who had already decided whom to vote for, Kwasniewski would get 52 percent of votes as compared with 48 percent for Walesa.

* * *

The poll was carried out on a representative sampling group of adult Poles by the MARECO Polska Polling Center, a member of Gallup International.

Reaction to Debate

WS1611145195

[FBIS Editorial Report] On 16 November most of the major national Polish vernacular Warsaw dailies carried reaction to the nationally televised presidential debate between Lech Walesa and Aleksander Kwasniewski held the evening of 15 November.

Two dailies, GAZETA WYBORCZA and ZYCIE WARSZAWY, carried front-page editorial comment on the debate. GAZETA WYBORCZA's 300-word editorial by Chief Editor Adam Michnik, entitled "Fear of Monopoly," assesses that both Walesa and Kwasniewski "sell themselves well on television, even though they do this in different ways." He points out that Kwasniewski "avoids aggressiveness, but also evades specific questions." Michnik also noted that Walesa "does not have many enthusiastic supporters today. Everyone remembers his 'wars at the top,' 'falandysz-izing' [a term coined from the name of Walesa's former legal adviser Lech Falandysz, known for liberally interpreting the law] the law, his boastfulness, and the fact that he calls his opponents names. However, Walesa's strength is the fear of a monopoly of the Democratic Left Alliance [SLD], a fear millions of Poles have today. The SLD and the Polish Peasant Party [PSL] are taking everything—and everyone can see this. The criterion of competence does not exist; the thing that counts is party membership. My neighbor did not watch the debates, because she 'will elect a president, not an announcer.' Therefore, I believe that the most vital sentence Walesa said and that may decide the result of the elections was the following: 'Mr. Kwasniewski, it is a good thing that we are watching each other's hands.'"

ZYCIE WARSZAWY's 300-word commentary by Jerzy Wysocki, entitled "Different People," asserts that Walesa "did much better than in the Sunday debate. He was calmer and his brilliant repartee made us think about the Walesa we used to know in the old times. Against this backdrop Kwasniewski was colorless. Once again we heard nicely phrased sentences and truisms." He noted, however, that "those who expected a debate on socioeconomic platforms must have been disappointed. Three days before the elections that will determine Poland's future, details of platforms are becoming less important." Wysocki explained that other factors are gaining importance, such as "biographies and systems of values, credibility and style. Here we can see all of the things that separate the president from the SLD leader. They represent two different traditions, two different visions; they are two different people."

The same daily carries on page two a 800-word report presenting opinions on the Wednesday television debate expressed by Union of Labor Chairman Ryszard Bugaj, Freedom Union [UW] Deputy Jan Litynski, and Mazowsze Solidarity leader Maciej Jankowski. Bugaj believes that Walesa "is losing these debates." He explained that this is because "on one side there is an electrician, whereas, on the other, an economist, even though, perhaps, one who has not written his master's thesis." Jan Litynski assessed that "it was, at last, a regular debate. Walesa regained the ground he had lost earlier. He was calm and specific. Kwasniewski was his usual self. He provided evaasive and indirect answers and kept assuring us that things would be fine. He is always assuring uf that things will be fine." Maciej Jankowski did not conceal his disappointment at the debate, saying "this was no debate at all. It was more of a sad spectacle in which we could compare Kwasniewski's bizarre views and lies with Walesa's ideology."

GAZETA WYBORCZA publishes on page five a 1,500-word report entitled "Kwasniewski-Walesa Television Debate; Who Won the Second Match?" The report presents opinions of several well-known politicians and an economist. Krzysztof Kozlowski, head of the Senate Democratic Club, felt that Lech Walesa "had an advantage and was better" and that Aleksander Kwasniewski was "monotonous." He said that he "has heard such words on numerous occasions. I wish he became a democrat. He has a lot of gaps to fill between words and deeds." Waldemar Kuczynski, economist and privatization minister in the Mazowiecki cabinet, said that "journalists were right to draw attention to Kwasniewski's poor memory. What I mean is not only the Polisa Insurance Company affair, but also the liberation of food prices. At that time, the Mazowiecki government did not yet exist. It is also worth mentioning that both Kwasniewski and Prime Minister Oleksy give credit for our economic growth only to the PSL-SLD coalition, which is obviously not true. And when they talk about hyperinflation, they do not share in the responsibility." UW Deputy Andrzej Wielowieyski notes that "it is a pity that debate moderator Walendziak, who is also head of Polish public television, failed to force the candidates to present specific arguments regarding their platforms in such areas as the economy, social policies, and state administration." When evaluating the two candidates' performance, he pointed out that Kwasniewski "at times looked like a preacher engaged in shallow preaching. Walesa was rough, but also more convincing, because he declared that he would fight this Sejm and defend the poorest."

TRYBUNA, on page four, carries opinions on the debate in a 1,500-word report entitled "TRYBUNA Poll." Professor Jozef Kaleta, economist and SLD deputy, stated that "Lech Walesa once again proved in the debate that he is a politician who is not credible and also irresponsible. He tries to decry the agreement reached at the Round Table; after all, he was one of the main signatories." Jeremi Mordasewicz, deputy president of the Business Center Club, was not satisfied with the debate. He said that "unfortunately, neither candidate, perhaps because of the nature of the debate, failed to bring up problems that are the most important to people like me—that is, to entrepreneurs." According to him, "no specifics were given. We heard only general statements, such as speeding up the privatization processes, depoliticizing the economy, or development of self-governments." Professor Julian Aulaytner, a specialist in the area of social policies at the University of Warsaw, compared Kwasniewski and Walesa to "two actors on the political scene representing different styles of the presidency." He noted that voters see Lech Walesa as a proved man. This is the dilemma: Whether to choose the proved Walesa or the tempting Kwasniewski. Aulaytner concluded by saying that "these two personalities could be seen easily. I emphasize that these are two different personalities shaped by history. If we look at the Round Table and at the television debate, held six years after those events, we will see how clearly democracy is maturing in Poland."

Walesa, Kwasniewski Hold 2d Televised Debate

LD1611120095 Warsaw TV Polonia Network in Polish 2210 GMT 15 Nov 95

[Second debate between presidential candidates Lech Walesa and Aleksander Kwasniewski, moderated by television Chairman Wieslaw Walendziak, in the studio in Warsaw on 15 November—recorded]

[FBIS Translated Text] [Walendziak] Good evening, ladies and gentlemen. Today on Polish television we have the second presidential debate. Lech Walesa and Aleksander Kwasniewski will today address economic problems, the problems associated with local democracy and social policy. They will, however, start from an evaluation of Poland's recent political history. I sincerely greet you. Good evening.

[Walesa] Good evening, ladies and gentlemen.

[Walendziak] Good evening.

[Kwasniewski] Good evening sir, good evening ladies and gentlemen.

[Walendziak] Ladies and gentlemen, the rules of this program have not changed. I will recall that the principles of the presidential debate are determined by the electoral staffs. That which takes place in the studio, that which you see, is the straightforward result of the detailed decisions of the electoral staffs. The electoral staffs, both of them, did not accept the proposal made by Polish television that the debate between the candidates take place directly between them. In accordance with the draw, today President Lech Walesa will reply to questions first. For this program, Lech Walesa has invited Mr. Tomasz Wolek, chief editor of the ZYCIE WARSZAWY daily, and Mr. Andrzej Urbanski, author of the television Pytania o Polske [Questions of Poland] program. Both gentlemen will set questions to Mr. Aleksander Kwasniewski. In turn, Mr. Aleksander Kwasniewski has invited for this program, as on the previous occasion, Mr. Slawomir Zielinski from the television Panorama program and Mr. Andrzej Kwiatkowski, deputy chief editor of the PRZEGLAD TYGODNIOWY weekly.

In keeping with the will of both electoral staffs I have the honor and pleasure of again chairing this debate. My name is Wieslaw Walendziak, and I am the chairman of Polish television.

Gentlemen, we begin.

We start, in accordance with the decisions, from an assessment of Poland's most recent political history. Sirs, the states and societies which have emerged from nondemocratic systems, sometimes from dictatorship, sometimes from totalitarianism, have normally adopted two methods on the new road to democracy. It has been the case—as in Germany and in Japan after World War II—that it was decided to go for very deep vetting, it was decided to remove from public and economic life not just thousands, but hundreds of thousands of people.

Anyway, this was the case recently in eastern Germany, after unification. But it has also been the case—as in Spain, Argentina, and Chile—that things ended with the removal of hundreds of people, those who were functionaries of the former system. Of course, with both variants, courts awaited those who committed varies kinds of atrocities. Only the results of the court verdicts were varied—the level of punishment. It has transpired that in Poland we have had a completely different variant. We had the Roundtable, we had Magdalenka. And it has transpired that it was yourselves who were the main architects of the Roundtable, you led the negotiations in Magdalenka. How is it that not so long ago things were so good between you, and today things are so bad? Assuredly, such a meeting, such negotations, would not take place today? Mr. President.

[Walesa] Ladies and gentlemen, since at the last meeting Mr. Kwasniewski altered the principles of our meeting somewhat, so I too will for a moment also strive to do the same. But just for a moment.

I have run a positive campaign, as you have seen at the meetings. Only the television meeting with Mr. Kwasniewski, who at the start of that meeting three times behaved unfairly, demolished this picture. I am a supporter of the New Testament, but sometimes I also apply the Old Testament as well. I apologize to those who are disgusted. Now, down to the matters at hand.

I wish to explain to you what I mean when I talk of bringing the Polish People's Republic to account.

The point is the values, the principles, which parents pass to children. For Poles, these were always God, honor, and fatherland; patriotism, dignity, Christian morality. In the Polish People's Republic we were told: Let us break with the past, let us choose the future, modernity, let us throw away the old principles. And well, we had this, the socialist camp rather than the fatherland, Lenin and the Soviet Union rather than God, the party rather than honor. The effects we know. In the name of the future and modernity patriots were murdered, human rights were violated, the effort of millions was wasted. Specific people were responsible for all of this, great traitors and murderers and also small-time activists, opportunists, sycophants, and denunciators, specific people, the proprietors of the Polish People's Republic. Mr. Kwasniewski is carrying out a deceit when he says that I condemn the people who lived in the Polish People's Republic. I myself, after all, lived in it. I condemn those who created the Polish People's Republic and who ruled it, and not those who lived in it. Well, I have not managed to finish.

[Walendziak] Mr. President, if only in a word, I would ask for a reply to my question. I think that it was an important one. You were the authors of—a success for some, a failure for others—the important event which was the Roundtable.

[Walesa] Sir, I am telling you that without widening this thread it will not be possible to reply in a straightforward manner. Sir, today we have a situation in which this period is not brought to account. Today, we have living around one stairwell he who carried out the beatings and he who was beaten, he who threw people out of work and he who was thrown out of work. And, today, pensions and annuities are held by those who smashed people's teeth. Those who worked very much for the Polish People's Republic, for Poland, have troubles. [sentence as heard] And that is why my struggle and my summing-up, and my settling of accounts, is going in this direction, that we be able to build the foundations of the Third Republic on principles, on the principles of settling of accounts, on principles of patriotism. And if we have not done this, then today those people who have not done this and who answer for that past cannot stand up, cannot today constitute, as I once said rather unpleasantly perhaps, a red rag to a bull.

[Walendziak] Mr. Aleksander Kwasniewski.

[Kwasniewski] I would just like to request that we observe the rules which have been agreed, because later there will be complaints. I understand that I have somewhat more time. So, I will begin with a more general comment. Undoubtedly the dispute about the past, the dispute about the Polish People's Republic does exist and it is very individual, because everybody has the right to his own assessment of the past in which he participated, to evaluate what he thinks is good, or what he thinks is bad. The mistake I see in Mr. Lech Walesa's thinking consists in an attempt to standardize that assessment, or an attempt to define the Polish People's Republic and the entire 40-year past with one school mark: a fail, a bad mark, or a bare pass or some sort of bad assessment. On the other hand, a more honest position would seem to be to approach history in a more sensitive way generally, that is to say, to assess what was good, give honor to those people who worked hard, who worked honestly, who didn't go to work every day for the Polish People's Republic or for the Polish United Workers' Party, or for individual first secretaries: They did it for themselves and for their families and they did it for Poland, from very patriotic motives. The words "thank you" are too seldom used in relation to them; in relation to those people, their dignity is too seldom spoken of; these honest people, these millions of honest people are too often thrown into the same commie sack, or whatever my rival calls it.

Second, I think it is more important today to draw conclusions from the past. These conclusions from the past are first and foremost that nothing which was brought into disgrace, which was a drama, a crime, an offense should return. Independent courts must act here, which will cause the sins to be judged; and on the other hand, we will have such democratic mechanisms, such laws, such a constitution that the evil which we know from the past will never be able to return under any banner.

And the third comment, which directly concerns the question: I think that the Roundtable was a great success for Poland. I don't think Lech Walesa is right to distance himself from the Roundtable, as if he wanted to forget that he was there and that we signed many agreements together. I am not so immodest as to think myself the chief architect, which is incorrectly attributed to me today, but I think that if Poland's history is written up many years ahead, the Roundtable, as the opening of the door to democracy, the opening of the door to a new political order, will be written there, and I think we can be proud that such an event came about in Poland, for it was, in fact, the way to go forward from a difficult history into the future, and in my opinion if we had followed that road more consistently, there would be fewer conflicts in Poland, fewer unnecessary disputes, and less wasted time, which unfortunately burdens us all, above all the ruling president.

[Walendziak] A question to Lech Walesa, Mr. Andrzej Kwiatkowski.

[Kwiatkowski] Sir, when Solidarity was struggling with the totalitarian system, Anna Walentynowicz, Andrzej Gwiazda, and Marian Jurczyk, among others, cooperated with you. You were advised by Jan Olszewski, Aleksander Malachowski, Ryszard Bugaj. Today, you are far from these people, or else they are far from you. Jan Olszewski is your, I quote, the greatest mistake of your life. Of Marian Krzaklewski, you say that, you recently said: What has Marian Krzaklewski done for Solidarity? He drives around in my Lancia, he resides in my office, and he has few members. Of Ryszard Bugaj you have said: Such a guy as Bugaj—an intellectual boor. Aleksander Malachowski, a man universally respected, said a week ago, I quote, that which Walesa says today before the elections is another series of lies and promises without backing, it is difficult to believe him.

I just wanted to ask what has taken place over these five years, that these people have left you, that you have been left as if without friends?

[Walesa] Sir, before I reply to this tirade—because this is a tirade—of problems, and it can't be replied to in a minute, just one sentence to Mr. Kwasniewski. Now, in what you said there is a complete contradiction. For you say that I am enclosing the whole of the Polish People's Republic in some sort of formulation, perhaps even a bad one. But, you want to close those settlings of accounts in one word, sorry. Come on sir, well, this is the abuse is a formulation [as heard]. But that is on the side.

Sir, as you probably remember, I said that when I sought my first presidency I would seek to steer the Polish ship and my program is a single sentence, from the stop marked independence to the stop marked normality. And leading the ship involved passing through many storms, through many changeable winds, and in association with this, it required adaptability. After all, we could not remain a 10 million unity [as heard]. After all, from the start we struggled for pluralism and democracy. Well, if we had remained such a great, 10 million-strong movement, than I could call myself Kim Il-song. That great leader who is always right, and tries, and leads the country in monoparty fashion, or in monounion fashion.

After the victory over that bad system, I had to attempt real pluralism, and therefore division. We were very different: Mrs. Walentynowicz differs from me, and Bugaj differs from me in world outlook, in the shape of Poland, in vision, in ways; therefore, those pluralistic solutions had to be sought. And these people are searching for different roads in different ways, and I think that's normal.

[Kwiatkowski] That you left them, or they left you, that's normal?

[Walesa] Of course it's normal. The cause of fighting against the system is over, and pluralism has begun, and therefore we form different groups.

[Walendziak] Thank you. Mr. Slawomir Zielinski.

[Zielinski] You have said that a dozen or so years ago, as the leader of Solidarity, you headed 10 million people and then you left them. In August of this year you said on the radio that Solidarity should furl its banners, call itself Solidity [Solidnosc], and concern itself with the distribution of soap, onions, and toilet paper. Just before the elections, when you were trying to get support, you remembered Solidarity. My question is: Was it because—and I would like to quote one of your statements—Solidarity has factories and other structures and for that reason it is convenient for different technical matters and it is also needed for votes. And you, after five years, were left on your own, without backup. After the elections, will you return to that proposal of onions and soap?

[Walesa] Dearly beloved journalists, I never said anything of the kind, and I forgive your mistakes, but please check these things. Of course I had grievances against Solidarity, I have grievances, but I never said that Solidarity was neither fish not fowl or anything else! [Laughs] Of course that was an answer, I know that answer: It was an answer from an activist who thought that when I said that the banner should be changed that Walesa wanted to take away the Solidarity banner, to destroy Solidarity, or confine it to those purposes which you mentioned. I never said that, but I thought and I think that one should be differently formulated for struggle and differently for work. The struggle is over; many people who were together in the struggle have different interests now and these interests should organize us in other, different formulations. And so, nobody can make me believe that I wasn't right; but on the other hand, Solidarity is my beloved baby, it makes mistakes just like I do, but we are always capable of forgiving each other and going, if need be, together; and we are going now, to the glory of the homeland.

[Zielinski] After the election campaign will you not leave Solidarity (?behind)?

[Walesa] Of course not, because we are threatened by the postcommies, because it is necessary once more to raise the banners high, and to bring about order, smash various webs, stand people in a line and check where all of this nomenklatura is, establish White Books of bad solutions. Sir, the challenge has been made, and not because we want it. We would not wish to, only there was a five- year period, and that which should have been carried out was not carried out, which I said at the start.

[Walendziak] Thank you, questions to Aleksander Kwasniewski, Mr. Andrzej Urbanski.

[Urbanski] Mr. Chairman, you are the man who, in Poland at present, has held power for the longest period. Already in 1985 you became a member of the government of Mr. Messner, and since 1993 you have been responsible for the government of the same coalition. That is six years out of the last decade. Mr. Chairman, in the government of Mr. Rakowski you were person number three. Do you feel personally responsible for the gigantic inflation, the enormous recession, the collapse of the budget, the collapse of housing construction, poverty, and the tragedy of millions of Poles who, precisely in 1989, inherited the legacy of those two governments in which you found yourself?

[Kwasniewski] Before I reply to that, one remark to the words of Mr. Lech Walesa. For, I do here notice the difference, yes. I apologize, and my apologies are not solely one word. This is the political conviction that it is not permitted to return to anything which has been compromised. On the other hand, the difference between us is based upon the fact that I apologize and you threaten. All the time you threaten, not only those people who have something on their consciences, but you threaten millions of Poles, for whom you announce a settling of accounts, decommunization, showing how they have been to blame, and so on, and so on. And for Poland, the one which we are creating at the moment, this word sorry nonetheless has a greater weight than those threats which you are opening out.

On the other hand, as regards responsibility: I feel responsibility for everything which I did in my every government incarnation, and I had the opportunity to cooperate with both Prime Minister Messner and Prime Minister Rakowski. And Prime Minister Mazowiecki, for I ended my activity in June 1990. If you wished to burden me today with all that which you have listed, then this would of course be a considerable exaggeration, since these phenomena had various prerequisites. Some of them were associated with the inefficiency of the system, which we were then changing, for, after all, in 1989 this change related not only to politics but also to the economy. Some of these decisions were an attempt already to address this new economy even if only in the freeing up of food prices, which caused inflation, but which was in my opinion a necessity. I am convinced that the government of Tadeusz Mazowiecki and Leszek Balcerowicz could more easily carry out the reforms already having behind them this most difficult, political, decision on freeing up food prices, which we in any case did—I am not betraying any great secret here—in accordance with the new government, already, of Tadeusz Mazowiecki, because this was taking place precisely in July 1989.

If you speak of the breakdown in housing construction, that is so. The construction system in the previous period was inefficient, but today it would be possible to ask, how to return to that which we had in the 1970s, when we handed over 300,000 homes yearly. And here, it transpires, the problem is much more complicated than blaming this or that minister for the fact that fewer homes are being built, and so on.

I can take responsibility for the part where I had an influence on the decisions.

[Walendziak] Mr. Tomasz Wolek.

[Wolek] Let's leave the past. You don't want to remember; I understand you even, but you have serious memory problems even on the scale of the last few months and weeks. We are talking about that. Never mind: Whether you vote for the annulment of Stalinist crimes, or protect your colleague Sekula from penal responsibility, or conceal your wife's shares in the Polisa [insurance company], in every case you don't remember, you deceive, you forget, you twist, you—I'd be afraid to say it—lie. Shouldn't you be even a little ashamed?

[Kwasniewski] Mr. Editor, perhaps I don't remember everything as exactly as you would like, but on the other hand I can't accept even a sense of guilt, particularly when you ask me about it—you, who are the editor in chief of a newspaper, which for many months has been conducting a campaign against me, which uses various means, from defamation and lies and distortions to various insinuations. I propose—because I really think that in this campaign, particularly in the past few weeks, we have entered a stage which is unnecessarily dirty—that we close these subjects and stop exploiting this kind of argument, because you have been doing it for many months and you know well that answers were given and that those answers are in your own and your journalists' possession. I propose, and I also asked my election staff today, and I hope that on the part of my staff there will be no statement which is an attempt to enter into a polemic or discussion with such arguments or to use similar methods with regard to my rival, for it seems that this debate in particular and the whole election campaign should be on the issues. It should be a discussion of programs, of what we want to do, and how we imagine the next five years, which are important and which will be five years of Mr. Lech Walesa's or of mine, as the president of the republic. So I suggest we concentrate on the basic issues and that you don't exploit those dubious pieces of information, dubious sensations, which you exploit in your paper.

[Wolek] Mr. Chairman, I can respond to that: I do not even expect a reply from you. And I know it, really, in the essence of things, but perhaps ...

[Walendziak, interrupting] A question please, editor.

[Wolek] But perhaps, yes. But perhaps you would not make light of those millions of people who are now watching you, and reply to the question set. Because it is not me who is a candidate for the presidential chair and not ZYCIE WARSZAWY as a collectivity that is running for parliament. It is you who are good enough to run for the highest office of state.

[Kwasniewski] And just as I am running...

[Wolek, interrupting] But one question.

[Kwasniewski] Yes, and just as I am running I have passed on all the indispensable information regarding this matter, and into the hands of my opposing candidate as well, and also to public opinion. And I very much request that these materials be published, and that they be made accessible to everyone. On the other hand, I cannot imagine for myself that at this moment we return to those discussions which we are already holding [as heard]. Because in this very way you are encouraging the journalists representing me in this program to commence this same kind of a discussion with Mr. Lech Walesa. This really is below the level which should be in force here.

[Walendziak] Contrary to the fears expressed—we are over the first hurdles—we have not had the drastic events which were envisaged for this debate. Let us thus discuss programs, let us discuss economic affairs for we have now passed to that section.

Sirs, serious economic titles notice, more or less in harmony, that a growing problem in our part of Europe is the fact that ever more frequently the politicization, or even the subordination of the economy to party considerations, is becoming a problem. This is casting a long shadow on our economic success, undoubted economic success commenced in the year 1990. Do you, sirs, have some sort of prescription, some sort of idea how these bad practices should be cut back? And I would say that these are practices also noticed by external observers. In your opinions, taking privatization for example, because you are both in favor of the Polish economy being privatized more quickly, privatization or reprivatization is an opportunity for this economy to be made independent from politics. And if privatization, where is it to end? How large a part of the state assets is to be retained, and where? Mr. President?

[Walesa] Ladies and gentlemen, again before I answer, I must respond in one sentence to what Mr. Kwasniewski has said. I am really not frightening anybody, I am only warning that there has been no settling of accounts with criminals, that they are walking the streets and you [points at Kwasniewski], as a historical continuity, are coming to power. In view of this, I cannot behave differently. And as for a negative campaign, I told you at the outset: You started it, you started it at the very start of that meeting [refers to the first televised debate on Wednesday], and in view of that, it looked like that, for I had to, I was second, for today I am first, so I can tone it down, as you see I am toning it down, and you have not been doing that, for you have been provoking.

As regards economic matters, of course we must be similar in our solutions to the Europe which, after all, we are part of. So we don't have to discover America, but organizationally we have to bring about such transformations as to make us similar, and then economic cooperation will be correct. For today, I think the process has indeed been slowed down. There could have been further privatization, that only in this way can we improve the economy and have greater results. Certainly, we have a backlog as regards reprivatization; certainly we won't do it thoroughly, for it is 50 years, great changes have taken place here, and that can't be done absolutely honestly, but we have to try. The process must be completed everywhere possible, and then we really will have great achievements. On the other hand, for today we see a slowing down; for today, as you know, as regards privatization, I am together with Solidarity and I support its program and proposals for social property enfranchisement. [gong sounds] The time is too short.

[Walendziak] In your opinion—I will of course also grant you more time—in your opinion, will this privatization or ownership enfranchisement separate politics from the economy?

[Walesa] No, ladies and gentlemen. If I were to speak of the presidential program, then after this diagnosis I would say that today Poland, almost all of us, need to put in order matters of management and self-government, and thus separate state and administrative posts from political ones. And order is indispensable here because confusion is ensuing, precisely these spiders' webs are ensuing. After all, people see all of this, and in association with this it is necessary at lightning speed to put in order the separation of administrative matters from political ones.

[Walendziak] Mr. Chairman.

[Kwasniewski] I will perhaps start from this reflection, that when I listen to Mr. Lech Walesa I get the impression that he is struggling to win his first term of office and is not aware of the fact that this, possibly, will be his second, and that there have been five years in which various proposals could have been fulfilled, including those relating to the principles of the nonpoliticization of or of nonparty involvement in the economy. But I understand that this is the nature of the charm of my competitor, and I accept this.

On the other hand, regarding that which you said: I do not see this thesis in such drastic terms, because if we look at the political events over the last five years—three parliaments, six governments, apparently seven prime ministers—it then transpires that the economy is maintaining a considerable autonomy. And the economic growth we had last year—5.5 percent of the gross national product, 6.5 percent of the gross national product this year, and next year opportunities like this for growth of about 5 percent as well—demonstrate that the autonomy of the economy is indeed ever greater, and that the private sector is playing an ever bigger role. Here, the mechanism works.

Second, I feel that there is undoubtedly a problem of what to do in order that that which you called party involvement in the economy can be broken off. New laws are required here, and here it is indeed necessary to take advantage of external models, foreign models, those of developed, market-economy countries. In any case, we spoke of this in the course of the Sunday debate. I do not judge that there would be any sense in repeating this, but such laws must be passed. I would want them to be quickly passed by the Sejm.

And third, as regards privatization, undoubtedly privatization should ensue.

[Walendziak] How far?

[Kwasniewski] In my view, no such border can be specified. There are strategic areas, such as transport, such as certain minerals, which should remain—energy generation is a debatable case. But there are two schools of thought here as well, to privatize or not. On the other hand, in my opinion it is artificial to arrange a threshold—for example, to privatize 20 percent of the public sector, or up to 18 or 25 percent. It looks different in different countries. And in the western ones as well, the state sector share is often at a level in excess of 30 percent.

But it is important to privatize, and then to help that privatization. Mr. Lech Walesa has sent the act on privatization and commercialization to the Constitutional Tribunal. He took advantage of the additional time and that is one of the reasons why we cannot speed up the process. But let's dismiss the accusation that this is a slow process: 23 trillion zlotys will come into the budget from privatization this year. That's more than in previous years. The national investment fund program is getting started—painfully and with difficulty maybe—but it is getting started. That's more than 500 enterprises. More than 100 enterprises have gone through employee privatization. We have several dozen examples of capital privatization, and more than 700 enterprises have been privatized in 1995 alone. This in no way proves the argument about a slowing down of privatization; but the fact that there is less social fuss surrounding privatization today reflects, I think, credit on the coalition which is jointly managing it, and on the government led by Jozef Oleksy, for it means that we are carrying out this privatization more logically and more in accordance with social expectations.

[Walendziak] Thank you. A question for Lech Walesa. Mr. Andrzej Kwiatkowski.

[Kwiatkowski] I'll leave privatization for a moment; perhaps editor Zielinski will go back to it in a moment.

Sir, parliament recently passed a law bringing in a six-band tax scale. It lowers the taxes paid by the poorest people. It emerges from analyses that 83 percent of taxpayers benefit from this, for they will pay lower taxes. The Public Opinion Research Center [CBOP] also asked businessmen what they thought of it, and here 76 percent of businessmen support the six-band tax scale. You have announced that you will veto this law. I'd like to know: In whose interest, in whose name do you intend to do that?

[Walesa] Sir, again I must answer Mr. Kwasniewski.

[Kwiatkowski] I am having no luck.

[Walesa] How short Mr. Kwasniewski's memory is! Mr. Kwasniewski, my five-year term of office was a year of forced lack of democracy with the Roundtable, 65 percent of the postcommunists had power, and only 35 percent [as heard]; then there were two years of freedom and again you have had power for two and a half years, so what more could have been done? Can't you count? I think you can.

[Kwasniewski] But you lost an awful lot of time.

[Walesa] But, sir, yes, because you obstructed.

[Kwasniewski] Now my idea is [words indistinct]

[Walesa] You know, you say you are intelligent and educated, so please behave as I am behaving. Despite everything, I am not interrupting you.

[Kwasniewski] I'm very sorry.

[Walesa] [Word indistinct] finish a different school, and then you will behave in a similar way.

And now I want to answer you. Sir, I don't make capricious decisions. I consult very earnestly on every decision, particularly with the people it concerns. As I said at the beginning, as soon as that law was passed, at the beginning, until they came to understand, the poorer people thought that indeed a six-band tax scale was favorable for the poorest. But afterwards, it was very quickly calculated that the poor were in fact helped very little—it was even calculated that only one egg could be bought for that increase, but the tax system hits the most active social group very hard and takes away its activeness. That's the first thing.

It mustn't be done, because despite everything, these people invest and help the poorest. [sentence as heard] And so, from my consultations afterwards, there was an outright plea from the groups affected not to do it. It is simply not worth it, one mustn't proceed like that. Today, after these consultations, I am convinced that there is really no choice, that it has to be vetoed. And at the same time I want to tell you that such a large number of tax bands introduces confusion, additions—half a percent here—restraints. If we have the simplest and fewest divisions then it is comprehensible and clear.

[Kwiatkowski] But if 83 percent of taxpayers say they benefit by it; if 76 percent are in favor, then...

[Walesa, interrupting] Sir... [indistinct interruptions] if the president votes, the president has only one vote [words indistinct]. Sir, how do you calculate it? You are calculating it economically. Sir, you can't do that!

[Walendziak] Mr. Slawomir Zielinski. Go ahead.

[Walesa] How are you counting this, you are counting economically, sir, you cannot do it in this way.

[Walendziak] I very much request Mr. Slawomir Zielinski.

[Zielinski] In the electoral campaign you wanted a referendum. Are you in favor of universal property enfranchisement? Let us assume that citizens reply in the affirmative. Meanwhile, it is necessary first to count the assets which can be distributed in the framework of the universal property enfranchisement of our countrymen. Before this ensues, it is necessary to pay a number of bills. First, pensioners and annuity holders in the budget-financed sector must have restored to them 65 trillion old zlotys in today's money—this is the result of the rulings of the Constitutional Tribunal in relation to the laws which you did not veto at the appropriate time.

And second, it is necessary to allocate at least 70-80 trillion old zlotys for reprivatization.

Third, in the framework of the National Investment Funds, we will have at our disposal around 70 trillion zlotys.

[Walendziak] A question.

[Zielinski] Yes, I am finishing. It is necessary to expend at least 200 trillion zlotys to strengthen the pension funds. And these assets finish on this [as heard]. What else do you wish to do?

[Walesa] Sir, as regards the nonvetoing of laws, then, of course I did this, for which I apologized to pensioners and annuity holders. This was a situation similar to that at the moment, that a process of putting this sphere in order was commencing. And then, Mr. Kwasniewski and the whole group complained very strongly to me that I was not defending pensioners and annuity holders. There were movements against me. I said, all right, when such a situation arises next time I will behave differently. Today I receive a letter from the prime minister himself, who says that I did very well at the time. This is what should have been done. And I should behave similarly today, strike at pensioners and annuity holders again. I have the letter, I can show these letters, and in any case the entire coalition today praises me for those decisions, and requests that the poorest continue to be hit. I will not do this now.

And now, as regards universal privatization: Well, as you know, I support the initiatives of social groups, since I have the right of legislative initiative. So Solidarity has taken advantage of this, and has sent its draft to parliament. I have given my consent to this. On the other hand, if you want to calculate how much Polish assets are worth, then, sir, it is not appropriate to count like that. I wish to suggest to you how much it is worth, for it is worth as much as we will pay for it. And things are worse now if in some unknown way some people acquire assets, get hold of some shares—this is a scandal and we have seen this recently and you know about it.

And linked to this I would prefer that my proposal gets through, that we create for everyone an identical start in the national wealth, and in this way that property be enfranchised along the road of auction, tenders, for wealth to be acquired on the basis of an equal start. And these are the proposals of Solidarity. Doubtless, you do not know them because they are only now being formulated here and there, that is to say written down, but I am convinced that you too will take advantage of this, because you fit in this category of those who can make a start in the assets stakes and acquire them.

[Walendziak] Thank you.

[Zielinski] But in that case, when you calculate all of these expenditures, nothing will remain.

[Walendziak] I'm sorry, I will now request Tomasz Wolek and Andrzej Urbanski to pose questions to Aleksander Kwasniewski. I also have a sincere request to my journalist colleagues, that they end their questions, their statements with clear questions. Mr. Andrzej Urbanski, please.

[Kwasniewski] Mr. Chairman, continuing the same subject: The Senate, which you control, has rejected the draft of a referendum on the universal property enfranchisement of citizens. The attitude of the Democratic Left Alliance [SLD] to the National Investment Funds, to privatization, has evolved, but it has evolved, I would say, inconsistently. In essence, your party opposed universal property enfranchisement from the start. I would like to ask you, why do you not want Poles to express themselves on this matter; for every citizen who is interested in this to be able to say whether he wants to or not? Why does this question not interest you?

[Kwasniewski] Yes. I will reply in a moment, but first a short remark as to what Mr. Lech Walesa was good enough to say earlier, for I think that the president, having a five-year term, must count on the fact that he will have to cooperate with various governments. If he is capable of cooperating solely with governments chosen by himself that is a bad thing. In my view this signifies that he lacks the qualifications for coexistence and understanding with other political formations.

Second, I wish to say that parliament is unjustly regarded as uncreative in the sphere of the economy. It was then that the most important economic laws of the so-called Balcerowicz package were accepted, with the participation of the deputies from the Polish United Workers' Party [PZPR], the PZPR parliamentary floor group, . And I judge that, for historical truth, it is necessary to mention this. These people also directed particular Sejm commissions.

Third, why did the Senate vote against this referendum on the matter of property enfranchisement? Well, because this was, after all, a typical political initiative, associated with the electoral campaign, not taking into account other initiatives regarding referendums. I feel that it could indeed be that, in Poland, in the face of the maturity of society, we are approaching the moment that it is necessary to ask society about many matters; about property enfranchisement, but also about the attitude toward certain constitutional questions, such as state-church relations, such as the issue of the protection of conceived life, the most controversial ones—reprivatization, perhaps districts and the administrative division of the country. Let such a referendum finally take place. I feel that it is worth talking about this subject, but this cannot be prepared by writing something on the back of an envelope.

[Urbanski] A draft and proposal has been in existence for two years now [words indistinct].

[Kwasniewski] No, no. This draft, this draft was in fact directed to the Senate very recently, in the course of the campaign.

And a final remark about the National Investment Funds, regarding privatization. There was undoubtedly an argument about it within the Democratic Left Alliance [SLD]. But you should recall that it was only thanks to SLD deputies that the National Investment Funds law was passed in 1992.

[Urbanski] But only after some amendments.

[Kwasniewski] After various discussions; we have the right to our own opinion. And the matter was completed by this coalition only thanks to us. And finally, the law comes into force today. I will pay my respects to its authors but I will not allow any talk that the SLD was against the law, simply because it was not.

[Walendziak] Tomasz Wolek.

[Wolek] Mr. Chairman, I am very sorry but we cannot escape from the matter of the Polisa [Insurance and Reinsurance Association]. It was not initiated by us, we only keep writing about it. All the bad phenomena we have been discussing, where the economy and politics meet, are being focussed on the issue of the Polisa, as in a lens. You say: I was not acting for my own benefit at the same time as concealing your wife's shares in your Sejm declaration of assets. How can you convince us. For Mr. Walendziak's sake I will put a question mark here, but I will end with an exclamation mark. How will you convince us that the fact that your wife and Prime Minister Jozef Oleksy's wife, for example, possess shares in a private company like Polisa does not cause the influx of state, I repeat, the state money to the coffers of Polisa, billions of zlotys, Mr. Chairman?

[Kwasniewski] I will say only this. First, economic freedom means that everyone, including a politician's wife, or the wife of the SLD leader, has the right to carry out such activity and has the right to buy and sell shares in keeping with all the binding regulations. I can see no fault in such actions.

Second, I want to say that I do not know if buying 0.2 percent of shares is such a significant investment that a company may immediately begin to be able to take advantage of preferable offers or contracts.

Third, there is no doubt that the problem exists. This is a more serious problem than one wife or another. The problem is how to guarantee clear rules with regard to contracts of private firms. There are so many of them and they can function under different governments, not just under center-left governments but under also liberal governments. This is what happened in 1991-92. The problem is what to do to provide clear rules which will not provoke such judgments and such questions: that perhaps somebody is taking advantage of it, or perhaps because there are links with someone there are some additional profits.

I can assure you that when she bought the Polisa shares, my wife did not take part in any additional activities in which that insurance company was involved. She did not influence the policy of that company and I did not get involved in any way in the activity of that institution, of that insurance company. I think that your passing of such judgments today may mean that you want to suggest something. Do not suggest that because nothing like this has taken place and will not take place as long as my wife remains my wife.

[Wolek] Excuse me Mr. Chairman, you said that she bought them on the free market, although the whole of Poland heard on television from the deputy chairman of the very same Polisa that these shares had been allocated to colleagues, acquaintances, and friends. Is this a free market of colleagues and friends?

[Kwasniewski] If you know the practice concerning the sale of privileged shares by firms, companies which start their activity as joint-stock companies, you should know that the first offer is addressed to specific people. The list usually contains 100, 200, or 300 people. Some of them decide to buy the shares on the conditions presented to them and some do not. So, do not make a problem out of it because it is not a problem. The question today is what to do to make private and state companies cooperate according to clear rules which will not raise suspicion.

[Walendziak] Thank you very much. Let us move on to social policy. While listening to the discussion, I think that it is a pity that you did not decide to talk directly, but you decided on rules and we are trying to stick to them.

Gentlemen, although the state of real socialism generated the poverty of the entire society, it undoubtedly guaranteed to every member of this society a minimum feeling of security. Today, in free-market conditions, we are witnessing the entire social security system collapsing. There are no doubts that every group which undertakes an attempt to reform insurance and health care is facing social tensions, irrespective of its political background. My question to you is: Is it possible for you to establish peace in this field, irrespective of who is in power in Poland? This is an issue of such an importance for the future of the state and of society that both sides should agree not use it in bad faith to undermine a political opponent. It is obvious that everyone who strives to reform the insurance system is going to face social tensions, and it is obvious that every opposition which would want to use them for its own end will be able to do so efficiently, but at the same time it will destroy a once in a lifetime chance for the reforms. Mr. Lech Walesa, please.

[Walesa] Ladies and gentlemen, I am in a difficult situation again as again I have to respond to Mr Kwasniewski. Sir, I have always been ready for cooperation, but it is impossible to cooperate with you as you are creating a state of buddies and a state of postcommunism. You either want to get me involved in this, and my ethics and my service to the nation do not fit into this, or you want to defeat me. I can allow neither, hence my problems. I think that sooner or later this cobweb and other things—well, people know all about this, there are many documents. Soon you will see where the comrades from the Central Committee and from the Provincial Committee are. There is no need to wait long, white papers are working as they should, so do not joke about this, as days are numbered. This is the first thing.

Now, as regards social peace. Indeed, there are many issues ahead which have to be solved immediately and in accord. But how can they be solved in accord when we have patterns like these. How can one build on immorality, on lies, on crime. How can one build the foundations of the Third Republic? This is not the past as you might say. But one cannot build anything big on such foundations, neither social peace nor anything else. And this is our problem, that we cannot build on real foundations but on crime, on lies, on cunning, and on swindles.

How can you require from the people in this situation to understand that they will have to go on suffering, to understand that first you have to gather money for pensions and annuities—the other system spent the money, and we do not even known what the money was spent on—and that order has to be introduced. In fact, you are right in saying that these are great problems and that nobody will win if they play the game in this way. For this reason it is time to think about this and to start cooperating. Otherwise this may really backfire on the whole country.

[Walendziak] Mr. Chairman, are you going to comment?

[Kwasniewski] I am. I think that to talk about cooperation or of a country of old buddies in a situation when for four years, or even more than four years, Mieczyslaw Wachowski was head of the president's cabinet is really deceitful. However, I understand that at the moment the issue is more important: Are we able to carry out the indispensable operation in Poland, namely, the reform of the social security system?

I think that it is possible and, in my opinion, we are on the right track. The social consultations have taken place. If I win the presidential elections there will be a chance to carry out this operation with this parliament and with this majority coalition. If my competitor wins, we know what is going to happen. The hours will be numbered. There will be another fight with the parliament, more time will be wasted. We will again prepare ourselves for more parliamentary elections instead of devoting ourselves to reforming the social security system, because it is impossible to cooperate with this government and with this majority. I am quoting here the remarks made by Mr. Lech Walesa a minute ago.

I think that one has to cooperate with this coalition, with this opposition, and with everyone in Poland because the social security system in Poland requires a deep and thorough change. This change must not harm today's pensioners and annuity holders. It should not reach into their pockets. It must give them guarantees of security and of a real increase in pension and annuity payments. However, we must propose to those who are sitting here today, that is to people professionally active today, a system which will defend itself. This means that we should have entire social insurance structures, guaranteed and not linked with the budget, and not dependent on whether the budget has more or less money one year or another.

This social security system must be available to both employees and to farmers. It is a very sensitive subject to the people in the countryside: whether they will be part of these reforms, or whether they will again be treated as an addition to the insurance system. No, they should be treated equally, according to the same principles as all other employees.

I think that provided there is a good cooperation between the president and the government and between the president and the parliament, 1996 should also become the year of the social security system reform.

[Walendziak] Thank you. Now questions for Lech Walesa. Andrzej Kwiatkowski please.

[Kwiatkowski] Thanks to the law adopted a year ago by the parliament it was possible to negotiate an agreement on pay principles for public sector employees, an agreement between the government and the trade unions, including also the public sector Solidarity. You vetoed that law and when parliament rejected it you took it to the Constitutional Tribunal and you lost. Let me remind you that this law concerns 2.5 million people. Why did you veto it?

[Walesa] Again, I have to reply to Mr. Kwasniewski. There is no other way. I wonder what Mr. Kwasniewski has against Wachowski. Some people say that he was an agent—yours in fact—and find it incriminating. Others say that he was some other agent and also a buddy. I did not have any informal arrangements with Mr. Wachowski, criminal ones or shareholding ones. Sorry, can you make it more clear?

When it comes to cooperation, constitutionally I am cooperating and will cooperate with any parliament. However, I cannot tolerate and will not tolerate or love the rules you tolerate. That is why if you are talking about accord—you had accord for 50 years—such an accord would not be good. For this reason it is a good thing that we watch one another closely. It is even a good thing that we argue because it is then known that we are not abusing the nation. But you pick on everything I do and I pick on everything you do, and it is a very healthy situation. However, you have to get used to this situation but your spine and your model of thinking about power is not capable of comprehending that it is a good thing that we control one another.

When it comes to the law, I have already told you that I do not issue a veto because I have a whim. I do it after checking what the feeling is among the groups the law in question concerns. There was such an overwhelming strength of feeling on the part of the trade unions—Solidarity and other groups—that I had no choice. For I was elected by the nation. I cannot be a president in an abstract world. I must be a real president as elected by the nation and steer the nation. If this is the wish of the nation, and I have no arguments to reject this, then I have to accept. That is why after an extensive consultation I vetoed and I fought [words indistinct].

[Zielinski] But you can see that they are coming to an understanding between themselves.

[Walendziak] Sorry, but we have to stick to the rules. The candidates can break them as they decided on them, but we cannot as we are journalists. Mr. Slawomir Zielinski.

[Zielinski] Before the elections you agreed on a contract with Solidarity which provided for more rights to trade unions. At a meeting with businessmen at the Business Center Club in Warsaw, when a lockout was discussed—that is the possibility of sacking the entire striking work force—you said: We will come to that. But I suggest we not talk about it too loud yet, as we have too powerful a working class. Would you have the courage to repeat this today before millions of viewers and also before these workers who may be sacked as a result of the lockout?

[Walesa] Sir, either your eavesdropping devices are wrong or your informers are bad. Of course, I never spoke about working class in such fashion, as I am a worker myself and I am never going to betray the workers. But there are problems we have to measure up to. We have big enterprises as the legacy of communism, and the work force in these enterprises is behaving normally. They are defending their work places even if they are not profitable. This is the moment for returning to the main philosophy that every enterprise, every man is most important in an enterprise. And we have to find arguments he will understand. If I am going to help this enterprise then there will not be enough funds for hospitals and schools. Solutions which will be recognized as right and will be accepted tomorrow, are rejected today. This is what I meant when I told workers and employers that a solution as such has to be accepted by the unions, but it cannot be done today because we have to explain, to show, to calculate. And this is how my statement on this issue should be seen. But you do it selectively and then it does not sound right indeed.

[Zielinski] If there is a knockout, it will happen later?

[Walesa] What are these shortcuts? Who gave you the information? I said that in some cases it will be necessary to have politics instead of economy, when it will be political stubbornness rather than economic conditions. When every one around us proves that it is not possible, then the trade unions, the ones outside the enterprise, will support such a solution. Because this enterprise would be involved in a political fight and not in an economic fight. It is this I mean and not the persecution of the working people.

[Zielinski] So, to safeguard one's interests one has to sack all the strikers because it is not cost effective, for example?

[Walesa] According to you, because you will stick to your guns politically. All computers will prove to you that you are wrong and you will say no. I am telling you this is the truth, and you say this is my cow. [as heard]

[Walendziak] Thank you very much. Now Andrzej Urbanski with a question to Aleksander Kwasniewski.

[Urbanski] Mr. Chairman, in your previous statement a moment ago you spoke about the issue of annuity holders, pensioners, and their pockets. This is your government, dominated by ministers from the Democratic Left Alliance and it was they who recently pushed through a postponement of index-linking of pensions and annuities which has impoverished many millions of citizens.

In 1993, Mr. Chairman, you said that such measures mean reaching into the pockets of exactly those pensioners, annuity holders, and public employees and that we could not consent to that. We, meaning the Democratic Left Alliance, did not agree to this. Can you explain to me why you did not say this to the government of your party colleague, Prime Minister Jozef Oleksy?

[Kwasniewski] I thought that you were going to address this question to Mr. Lech Walesa because it was he who then supported those solutions and today is vetoing them. His evolution is in fact going in the reverse direction: from a rigorous policy toward pensioners to a great love of pensioners and annuity holders today.

I want to say one thing: The situation is now completely different from the way it was in 1993. We criticized

Ms. Suchocka's government primarily because there was a real drop in the pension and annuity provision, a 4.5-percent drop. What we are proposing in the law for 1996 is a real increase of 2.5 percent above inflation. If you can not see the difference between a 4.5-percent drop and a 2.5-percent increase, the discussion is difficult because, in my opinion, the difference is fundamental. It is a difference which will benefit pensioners and annuity holders, and it is compatible with economic reality, compatible with the budget we have, and compatible with maintaining the development trends in the economy. It is still a priority for the government and I think that it is very good that it is the most important government objective.

Now, the second comment. Prime Minister Suchocka's government reduced the level of indexation, valorization to 91 percent of pay in the material sphere. We have increased this to 93 percent. We wanted very much to increase it further, but due to economic reality only this two-point growth was possible; but we did it. And I also would like to point out that there is a difference between reducing the level of valorization from 100 to 91 percent, which Ms. Suchocka did, and increasing from 91 to 93 percent, which the then Waldemar Pawlak government did. That is why I cannot accept at all what you want to say to the effect that then we wanted to look after the pensioners and today we do not. My response is clear. We do care for the pensioners today, within economic capabilities as provided by the budget, and we guarantee real growth of 2.5 percent of old age and disability benefits above the inflation rate. This valorization will take place next September; and this December—that is, very soon—there is going to be valorization by 15 percent. These are not tears shed over the pensioners but the real decisions already made.

[Walendziak] Time is up. Mr. Tomasz Wolek, please.

[Wolek] You promise dwellings for young married couples. Why then, for the last two and a half years, has your government and your party, which can pass everything it wants in the Sejm, done nothing about it. I am upsetting you. This year, 21 percent less dwellings than last year were commissioned. These are figures provided by the Main Statistical Office. Never before has the situation been so bad. I suspect that if you presented a good initiative on the problem then President Lech Walesa would probably not veto this bill but would rather praise this initiative.

[Kwasniewski] We can say why the president himself, with the help of the various councils which were attached to his office, did not have any idea of what to do about that. You know very well that you are using a totally demagogic argument because no law, no matter how sensible, will change the situation as to how many apartments are completed and passed over for use in six months, a year, or even two years.

The collapse we are experiencing now is the result of irresponsible housing construction policies in 1990, 1991, and 1992. The view prevailing then was that apartments had to operate according to free market rules, that they were a commodity like anything else. In my opinion, an apartment is a commodity, of course, and it should be subject to all the rules of the market, but it is also an element of social policy.

This other element, the social policy element, was missing, for example in the area of rented accommodation, council housing etc. I want to tell you now that in the recent period, 1993-94, laws were adopted which put a lot of things in order in this respect, starting with the quite controversial law on rented accommodation, which changed the system of payments for rented housing, and finishing with the laws putting the entire construction sector in order. In my opinion, there is a great chance that we will see the first results of these laws in 1996, that the increase in the number of completed apartments will be significant. Unfortunately, the level we have sunk to is a dramatic one.

However, just as editor Urbanski previously wanted to prove that all the evil was connected with the Polish People's Republic government, and later Solidarity governments only did good things, I would like to say the same thing now on this matter: We have inherited the collapse in the housing construction industry from the Solidarity government. Unfortunately, this was one of the greatest weaknesses of the period of transformations in Poland, which we started...

[Wolek, interrupting] Mr. Chairman, allow me, it is you who have been promising apartments. And I have a list of apartments here: only married couples and what married couples! The Oleksys, the Pudysz [former senior Interior Ministry official] couple, the Kwasniewskis. You paid 12 million old zlotys for an apartment with 78 square meters of floor space. Of course the rate has changed after these few years, but are you going to offer apartments to young couples today at equally attractive prices?

[Kwasniewski] I have a question for you. Have you read my statement on financial assets? Come on now, have you read it? Of course you must have read it because this is what has been your chief concern for some months now.

[Wolek] And were you good enough to give an answer?

[Kwasniewski] No, well let me give you a reply. If you've read it then you will know that I am not the owner of this dwelling yet. That's the first thing. And second, if it is now necessary, in accordance with the new prices, to pay extra then of course I will do so. Third, I would like to let you know that at that time 10 or maybe even several tens of thousands of people in Warsaw became owners of dwellings according to the same rules that applied in 1990. What is more, in Wilanow parish, where I live, about 500 dwellings were sold according to these rules and calculations. That's all I have to say to you.

[Walendziak] Thank you. Unfortunately, we are unable to continue this subject as our time is up and, in accordance with the rules, we will now move to the next topic which is local democracy. In his electoral program, Aleksander Kwasniewski wants to abolish the current administrative structure of the province [wojewodztwo] and establish districts [powiat] and a dozen or so regions [region]. In other words, he is opting for the transfer of some of the authority of the state to a local administrative level. Lech Walesa, in turn, is saying that we have stopped midway. Self-government institutions have been created but there is no precise division of power between state and territorial administrative bodies. Lech Walesa says that you should only take on as many duties as you can cope with. But there are more and more duties in parishes while there has been a reduction in resources. Recently, we witnessed a fairly stormy discussion on the transfer of the supervision of general education schools from the government to the parish level. But the parishes have complained that they did not get enough resources. In your opinion, gentlemen, can this self-government reform succeed if, at the same time, there is no reform of state administrative center.

Let me remind you of the even greater tension connected with the pilot program for big towns which have clashed with the central administration. And as is well known, this pilot program—or at least part of it—lies in ruins. I say part of it because other parts are being implemented. Mr. Walesa, what have you got to say?

[Walesa] Well, ladies and gentlemen, again I have to reply to two remarks made by Mr. Kwasniewski. As regards a change in our views, then you have changed them to the detriment of pensioners. I have also changed them but for the benefit of pensioners. And this is the difference between us, that's the truth.

[Kwasniewski] There is a dispute on this matter.

[Walesa] Hang on a minute. At the time you were saying that I was harming pensioners and now, having listened to you deciding that I do not wish to harm them, you are ordering me to harm them. And this is why there has been a change both in your position and in mine. But mine has been in the direction of pensioners—and I have asked them to forgive me and now I wish to compensate them for this—whereas you wish to harm pensioners again. This is the difference.

And the second issue concerning dwellings. You promise dwellings, but I do not know if you remember when President Bush was in office, I managed to secure a considerable sum of money in U.S. dollars. I do not know if you or even the previous government used this money to build dwellings. This was announced publicly in Warsaw. I do not remember, but there were tens of millions. I am still ready to find money for young people, but I have no power to process it, so you start working.

[Walendziak] Mr. President, local democracy, self government. Probably people all over Poland are waiting for the answers.

[Walesa] Yes, but here we are hearing a boast that someone wants to help young people, but to help means to work and to create facts not words.

Ladies and gentlemen, as far as self-government and self-governing Poland is concerned Solidarity started this process and it succeeded at the lowest level where there have been great achievements. But this has been stopped. This is why we are not going to discover America here. We have to adopt tested models from other countries and this self-government structure should, in fact, be at three levels, parish, something like district and bigger provinces. Let us not try to put two and two together, let us proceed in this direction. These districts still exist. They are not called districts, but the administration is in place, so this is not going to cost a lot, just reorganization and at the same time a transfer of power from the government administration of today to the self-government administration. We have to assist it to execute its duties and nothing else. There is no other way. If we want democracy and if we want good government we have to proceed in the direction of self-government organizations.

[Walendziak] Over to Aleksander Kwasniewski.

[Kwasniewski] There is an argument between us with regard to pensioners because I think that what you are proposing is not based on any economic calculation, but what we are proposing is a real increase in pensions next year. This is something specific which concerns pensioners and young people alike.

We are telling young people that we want to introduce contract loans with regard to housing, and we want to introduce a policy on rented accommodation, so we want to offer new possibilities, through institutions providing mortgages, to give young people access to apartments.

I understand that Mr. Lech Walesa did not have time to read these documents, so now he is talking about empty promises. These are specific proposals already submitted by the appropriate government structures.

When it comes to self-government—this is a great Polish chance today. Society is mature enough to cope with self-government. Society, in my opinion, is ready for it; society acts democratically, even better than some politicians. I think that it is high time to say that the people are needed by democracy not just once in four years, when they elect parliament, or once in five years, when they vote for the president; they can influence decisionmaking every day, decisions which concern their place of residence and where they work, so that they can also be jointly responsible for these decisions.

I believe that administrative reform is necessary. I believe that 1996 can also be a moment when, provided we have no political campaigns after the presidential elections, we can deal with it. Personally, I am a supporter of districts [powiaty].

However, in my opinion, after considering all the pros and cons, and after submitting all the proposals, it is more important today to discuss the costs which we will have to bear. But, I have no doubt that there should be less power in Warsaw and the central government should have less power. Parishes and cities should have the most power. This is where financial means should allow local government decisions to be implemented. Local government should have a legal status.

[Wolek] And what about the administrative center?

[Kwasniewski] The administrative center must change. There are plans to do this. The economic center is changing and, in my opinion, is becoming a lot more coherent, because it will go in the direction of a treasury ministry, on one side, and, on the other side, toward a large economy ministry which will deal with macroeconomic issues. I am also of the opinion that the administrative government center should be changed, when it comes to the way we understand the functions of the Ministry of Internal Affairs [MSW], the Office of the Council of Ministers [URM], and the prime minister's chancellery. However, these are issues being discussed now which will be put forward for public discussion. But all this requires cooperation and joint action from all the centers of power, starting with local government and finishing with the president.

[Walendziak] Thanks a lot. Mr. Slawomir Zielinski, can we have your question for Lech Walesa?

[Zielinski] For some time now there has been a lively public discussion on the subject of an economic self-government model. In this discussion there is a clash between two concepts: The National Economic Chamber represents one concept and other business organizations such as the Polish Business Council or the Business Center Club represent the rival concept. Which of these concepts do you prefer and why?

[Walesa] I think that one has to reconcile all these concepts and there has to be agreement here. There is no other way. Both sides have to give way a little—this is the easiest solution. And I am in a position to conduct talks and achieve this.

[Zielinski] Some people want membership of the Economic Chamber to be obligatory while others want there to be a choice as regards which organization people select to patronize. How do you want to reconcile this?

[Walesa] I'm giving you a reply. Even in a situation like this compromise is possible through talks. And a compromise has to be struck because such a dispute is of no use to anyone.

[Zielinski] Will you be trying somehow to convince the National Economic Chamber?

[Walesa] Of course, if we are on the subject of discussions and finding a joint solution, then there is no other way but to try to convince people. Can we have the next question?

[Walendziak] Can we now have Andrzej Kwiatkowski, please?

[Kwiatkowski] While giving your answers here today, you said quickly with some satisfaction that the White Papers [biale ksiegi: Anticorruption and anticommunist vetting documentation] are functioning as they should be and soon their effect will be known because the hours are numbered. You spoke about the White Papers in the Signals of the Day radio program last Tuesday; you spoke about the White Papers yesterday to the work force of the Lucchini steelworks. I have to say that I am afraid of what you say because small towns, parishes, and villages are like small countries in which people live very close together. But your proposal is that these people should enter various economic misdeeds in these White Papers and provide the names of people with whom one has to settle scores, and so on. In other words, what you are proposing is that people should inform on one another. It is my view that it is as if you are thus trying to smash the local structures that are living alongside one another there. Why are you really doing this? Surely you know the saying that if you want to hit a dog you can easily find a stick and that people's natures being what they are it is very easy to set one person off against another.

[Walesa] Sir, I am doing this only because if we do not do it we will be threatened with something like the October revolution.

[Zielinski] Can you imagine these people with White Papers?

[Walesa] Believe me, we have serious people today, we have computers, we can calculate what was worth what, who sold what and for how much. This is not a question of destroying somebody without giving him a chance to defend himself. But if we do not do that, if the plunder of assets continues, if there is dishonest privatization then it is only a matter of time before the working masses will move and destroy and burn those who made improper purchases but also those who acted properly. So, you are right here. In order to prevent this I am asking earlier, where are we going? There is a need for justice, principles, and morality. Otherwise things are going to end as I said. So, I am giving a warning. I can already see processes which will follow if there is no serious, orderly social enfranchisement and all socially dubious matters of today will disappear.

[Kwiatkowski] What is this warning from the White Paper going to look like? Where are they going to go with this?

[Walesa] Sir, today we have a well organized and free trade union movement. You are talking about things from the past where there was no organization and one could suspect and initiate strange and dangerous actions. Today, the trade union, Solidarity or others, does not make accusations. It checks information, calculates. There are educated people so they are not going to accuse an innocent person. Even if they do they will apologize. Yes, Sir. But not doing this and allowing dishonesty, lack of principle, and all these cobwebs is bound to annoy the nation and someone will set fire to it, and someone will also destroy our good solutions, as these bad things are marginal. But this is like a spoonful of tar spoiling a barrel of honey.

[Walendziak] A question to Aleksander Kwasniewski by Andrzej Urbanski.

[Urbanski] Mr. Chairman, you talked about cooperation between the centers of power. You stress very strongly that you would have good cooperation with the parliamentary majority which comes from your party, anyway. Today, Poland is a very centralized state. We have inherited this from the Polish People's Republic. We are changing it, but the state is still centralized and you said this as well. Since 1989, Solidarity has never had full power. There was the contract Sejm, we became divided, we criticized each other, some were in the opposition, others in power. Am I wrong to say that today you have a majority in the Sejm and Senate and your party is in government. What will happen when you become president if already today you say that the management of the National Bank of Poland and of public television should be changed. It is maintained in your circles that the press is furiously attacking only one candidate, you. What is local democracy going to look like when such a pattern comes from the top—the pattern of party monopoly? Are you not afraid of this monopoly?

[Kwasniewski] You are telling only half the truth. I did not voice the opinion about changes in the television management.

[Walendziak] I take you at your word.

[Kwasniewski] I have the right to criticize, like every viewer, like every citizen.

[Urbanski] Mr. Chairman, I am referring to TRYBUNA, I am sorry.

[Kwasniewski] Please, read the relevant passage.

[Walendziak] Please, reply to Mr. Urbanski's question.

[Kwasniewski] I said nothing of this sort. I am of the opinion that the independence of the central bank is of utmost importance. But my assessment of a political adventure enjoyed by the bank president and connected with the elections is something different. I am of the opinion that this has jeopardized the position of the central bank.

But I think that you are talking about this domination in a very historical fashion. There is no possibility today for any political structure to have such an influence in the state as the monoparty in the past. This is because today, no one can undermine the independence of the media, the independence of courts and local self-governments, the independence of the economy, the independence of banks, and the independence of dozens of other spheres which have their own regulations and act independently from politics and the influence of the authorities. This is the first thing.

Second, I think that cooperation, good cooperation, between the president and the parliamentary majority or with the government is of benefit and not a misfortune or obstacle. And I think that if I had to issue a verdict today on the five years of Lech Walesa's presidency then I would say this was one of the main weaknesses, namely, that this cooperation was missing. I don't know what the result of the elections in 1997 will be. I hope that the gentleman who is so concerned about this equilibrium should then appeal to people to vote for the

Democratic Left Alliance should Lech Walesa win. This is because you will say that since we have a president who personifies the right wing then let's now vote for the left so that there is a balance.

[Walendziak] Lech Walesa has never had his own party in parliament. But you have.

[Kwasniewski] Look, first, Mr. Lech Walesa has tried to have such a party but he has not managed to create it. This is a completely different matter. On the other hand, I have such a party and, what is more, I think that cooperation between the president, the prime minister, and the majority is of benefit for the country and not an obstacle.

[Walendziak] Can we have Tomasz Wolek?

[Wolek] Mr. Chairman, no doubt you know the saying that power corrupts but that absolute power corrupts absolutely. I can understand that you were brought up politically in a system when this power was monoparty and uniform. Now, in 1995, would you not really like to be a kind of modern, but nevertheless first, secretary with the difference that you would be called president? And would this system, transferred down to the local level, not become a kind of smoke screen? Would this system not mean that in every district [powiat] and perhaps in every parish the possibility would exist of having minimal safeguards. [sentence as heard] Pardon me, but this is how it could appear. Should the cobweb of colleagues from the same party also wrap itself round the self-government bodies? Would there be enough for everyone?

[Kwasniewski] I think that your obsession with the past is going too far...

[Wolek, interrupting] With the present

[Kwasniewski] No, you really want to intertwine everything into a scenario of a bygone age. But I would like to make it clear to you that I really value democracy. I am convinced that in this democracy all Poles really do have great and equal opportunities. Some make better and some make worse use of them. But I have never had and never can have greater political successes than in a democracy. This is why it is both comical and insulting if you wish today to say in this crude manner that modeling myself on something like a first secretary might have crossed my mind. And I think you should not be using arguments like this at all because I have furnished much evidence to show that I am really concerned that Poland should be democratic—evidence ranging from the roundtable and the Magdalenka [talks between Solidarity and Polish Interior Minister Kiszczak in 1989] through to the later activities which I undertook, and which you unjustly eye with suspicion but which always contained the desire that democratic structures and institutions in Poland should be stronger. And this is the path along which I will proceed.

And here is my final argument in this case. I have repeatedly heard from people intending to vote that they are afraid of what will happen if Walesa loses. I have heard that Poland will then be threatened with tensions, that Lech Walesa will lead the protest movement, that he will not help the authority, and so on. And I have never heard anyone ask what will happen if Kwasniewski loses; will he organize protest movements, will he lead the people to the streets? I treat this as final proof of the confidence of all, you gentlemen included, because you had never raised this issue with respect to my democratic views. I want to assure you that democracy has rules which must not be undermined: I have never undermined them and will never do so. I am talking about this today, before the elections, when the outcome is unknown.

I will never undermine democratic rules. That is why, gentlemen, I would like everyone to be able to see Poland in the year 1995 and not in 1985, 1975, or earlier. This Poland is really a different country, and it is so thanks to its citizens. Because if we listened to journalists, you could really have the impression that we live in a distorted country which resembles the past rather than the future.

[Walendziak] Gentlemen: This program has its own rules, which we will not undermine. I therefore thank both of you. The time has come for summing up. Lech Walesa.

[Walesa] Ladies and gentlemen, I must say one thing: After all these strivings, I am surprised. You belong to a young generation, Your striving to achieve unity, centralization, a coerced agreement is horrifying. As a democrat, I will not understand where this comes from in a young generation. You speak of democracy, but you are far removed from it.

Esteemed ladies and gentlemen, the decision to run for the presidency was not an easy one for me. Eventually I made my mind up because I know that I can do more for Poland than any one else. And I must bar the way to postcommunists who have still not been made to account for past atrocities. Deeds and not just words speak in my favor. I was the first to raise the banner of freedom, and we have freedom and democracy. I was the first to raise the banner of independence; and there are no foreign armies on our territory. There are tested people and competent patriots behind me: You know them well. I have behind me international authority, which Poland needs on our historic path to NATO and the EU. That is why I decided to run, that is why I can promise that I will lead Poland in the same good direction as I have done so far, that I will ensure social peace and balance without falling to extremes. I will ensure that the Polish state will not be taken over by a single party or a single group. I will lead Poland into NATO and into the EU. This is the obligation I undertake. Thank you.

[Walendziak] Thank you very much. Mr. Aleksander Kwasniewski.

[Kwasniewski] I will not read any statements. But before I say what I would like to say to you directly, ladies and gentlemen, I have two remarks. Poland is not split into Lech Walesa's and Aleksander Kwasniewski's Poland. Poland belongs to all of us, there is just one Poland and it's not an illusion of unity or an opaque or poorly understood unity. All Poles need it. It is a fact that you understand unity in a different manner: You have sown disagreement among many people in Poland. You have created a method out of argument and dispute. You have turned conflict to advantage while, in my opinion, this has been and still remains a disadvantage.

That is why I think that it is about time to look for something common among the Poles. The domination of a single party, a group, is not an issue here. The issue is to listen to others, to talk to them, to be open to arguments, so that we can really attempt to make use of the opportunity that Poland faces.

Five years of President Lech Walesa's presidency are known to all of us. There have been things which must be respected. But there has also been a lot of wasted time. Today, Poland cannot afford to waste any more time because we face new challenges, because we have to maintain economic development, because there is need to strengthen Polish democracy, to adopt the new Constitution. We must not waste any more time because of the problems we have: the unemployed and the poor, people living and working in rural areas, because of the fate of Polish women who have also been waiting for offers, proposals, and concepts about how to find their own place in frequently poor living conditions.

Therefore, I think that a lot of work has yet to be done and cooperation among the president, the parliament, local self-governments is not a weakness. This is a great opportunity for us to take advantage of, if we attempt to implement all this in a consistent manner.

Esteemed ladies and gentlemen: The vote on Sunday belongs to you. Every person has his own hopes. And so do I, that Poland can be a better country, that we can work together, that we can differ in Poland but in a way that advantages, rather than arguments, conflicts, disputes, or wasted time grow out of these differences. That is why, when making a decision on Sunday, I would like you to opt for this better vision of Poland, for possibilities that are opening before us both here and abroad. I would like us to act jointly. I would like us not to be unnecessarily divided, in accordance with a historical argument, into communists or anticommunists, into Solidarity and Solidarity opponents, but I would like us to be able to cooperate and talk. If you give me your support I would like to be such a person and a president you will be proud of. And we will all be proud of the Poland we are building. Thank you ladies and gentlemen.

[Walendziak] Gentlemen...

[Walesa, interrupting] Signed by Aleksander Kwasniewski with communist and Bolshevik frankness.

[Walendziak] Gentlemen. Gentlemen. Gentlemen.

[Kwasniewski] Mr. President I know that you cannot go to bed peacefully without saying the word communism. I therefore believe that tonight you will be able to go to bed in a good mood since you were able to say it.

[Walesa] No, one cannot listen to all this.

[Walendziak] Gentlemen, if you allow me to make one final remark. Today we know one thing, that certainly these elections will be decided by a relatively narrow margin of votes. This is the opinion of all respectable public research centers. So, on the day when one of you gentlemen is victorious a newly elected president will face a great dilemma: how to win over almost half of the voters who did not vote for him. The president must be the president of all Poles, otherwise Poland may be threatened with a domestic cold war. We will show which of you will face this dilemma on Sunday at 2000 in our Election Studio program. I am inviting all of you. I thank you for your participation in the debate.

[Kwasniewski] But maybe we should give Poles some hope that today we will part in a better way than on Sunday. [Kwasniewski approaches Walesa and they shake hands]

[Walesa] It is you who started in a discourteous manner, and it is a good thing you thought twice of it.

[Kwasniewski] You always have an excuse for yourself. And since I am a more self-critical type, I am ready to accept it.

[Walesa] Mr. Kwasniewski, it was you who entered the studio on Sunday without even a good morning or a how-do-you-do.

[Kwasniewski] You did not hear what I said then. You were so strangely lost in thought that you were unable to hear anything.

[Walendziak] Thank you very much gentlemen for your participation in the program. Thank you.

Walesa Interviewed on Elections, Platform

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19 Nov 95 pp 17-18

[Interview with President of the Polish Republic Lech Walesa by Piotr Gabryel, Marek Krol, and Boguslaw Mazur; place and date not given: "In Self-Defense"]

[FBIS Translated Text] [WPROST] Why do you think Aleksander Kwasniewski should not be elected president?

[Walesa] Because of the past. His camp does not understand certain things. There was a time when they wielded power. They wield it now in parliament and in the cabinet. There was also a time when all sensitive issues that team has not accounted for should have been clarified—such as Katyn or planting a communist government that came on Moscow tanks. Kwasniewski is not personally accountable for these things, but his team is historically responsible. They have not been cleared. Let us assume, improbable as it is, that Kwasniewski wins. The whole independence camp will immediately come forth with a single claim: that accounts be settled with the past. This will become the major point in a fight with Kwasniewski, and that is not good. Naturally, when I win, past accounts will be settled, but only as a second or third aim. This will no longer be the major reason of a clash between Poles. I would like to avoid a confrontation of this type, because I know it is inevitable if Kwasniewski wins. Some may point out that the younger generations no longer consider this important, they pay no attention to burdens of the past. Today the television-watching young people do not pay any attention to these things because they only seek pleasure in life, but some past issues will eventually have an impact on their opinions. That is what I am afraid of.

[WPROST] But Kwasniewski did apologize for the Polish People's Republic, after all.

[Walesa] That is not enough. Kwasniewski is a representative of the young generation, but he did take over the dough, he is a continuator; he is surrounded by people of the ancien regime, "small-town comrades" are returning. This is very dangerous because it may lead to a situation in which settling accounts with the past will get out of control.

[WPROST] How would that danger manifest itself? In demonstrations?

[Walesa] It is difficult to say at the moment. It is known, however, that the reforms in Poland are not easy. Even if we did conclude that all was going well, we should keep in mind that, in the system we are constructing, one in 10 people will become capitalists and the remaining nine will envy him. That envy might be channeled to destroy all of the good processes. That is what I would like to avoid.

[WPROST] As president, you tried to retain a balance on the political scene. Are you not afraid that Kwasniewski's victory might push the entire post-Solidarity camp beyond the pale?

[Walesa] Let us look at it in a different way. Why are 28 groups sticking together on the other side? Poles eagerly cooperate, but only in the face of a looming threat. Therefore, the people in his camp are sticking together because they feel threatened. Kwasniewski's victory, on the other hand, would inevitably pose a threat to the right, which will have to do what the leftists have done. I fear that a united right could start claiming that we were foolish not to have settled past accounts, but from now on we will no longer be foolish and ruthlessly settle everything.

[WPROST] You have said that Solidarity is paying the debts of others. What do you think of the second position you took in the first round of the elections?

[Walesa] It is a big blow to me; I still cannot get over it. I am personally to blame for this because I started off too late. Nobody gave me the slightest chance; I heard those comments, everybody was happy and there was even a time I did not want to run for a second term. Yet when I saw the threats Poland might come under, I took off and changed the whole situation in three weeks. But it was already a bit too late. I did not meet with the young people whom Kwasniewski and Kuron had been cajoling—especially Kwasniewski, who attracted them with his smooth talk. It could have been different had I had more time. As to the debts of others, I won in the big cities because the reforms reached them. I lost in small towns where new investments have not yet come and where unprofitable enterprises did not yet go bankrupt. The state farms also had to go because there was no money to keep them. This is not our heritage but the heritage of Kwasniewski's camp. We opted for departing from the bad system. Kwasniewski also maintains that this is his option, that he is bound for Europe and a market economy. Only why am I paying his debts?

[WPROST] Voters now have to choose between two deadlocks. By casting their votes for Kwasniewski, they are supporting the domination of one camp for long years to come; by voting for Lech Walesa, they are opting for a president without a parliamentary majority.

[Walesa] For a short time. I had barely reached an agreement with Solidarity when its popularity trebled in opinion polls. I am deeply convinced that, if parliamentary elections were held today, together with the groups that support me, I would net just as many votes as I did in the first round. The Democratic Left Alliance would also gather the same number of votes, but the distribution of power in parliament would change. I wanted to rapidly dissolve the parliament, but the nation did not consent.

[WPROST] Once you are elected, will you allow the parliament to carry on, establishing a backdrop of your own in the meantime?

[Walesa] Exactly. But I do not wish to form my own political party. We already have a patriotic camp that is continually growing; we make decisions collectively, reach agreements—as these are, after all, different groupings—on the particular points of a joint platform. We are definitely going through these elections together; we certainly accept the principles of a free market economy and democracy.

[WPROST] In the first round of elections five years ago, you fared better than this time. Is this not due to the fact that in a sense you "betrayed" part of your constituency to protect reforms? Having learned the price for such "treason," are you ready to continue protecting reforms?

[Walesa] No, this is not "treason." This is self-defense. People in large cities have come to realize that difficult reforms are worth supporting. These reforms will now start reaching small cities. We must work on our propaganda. Thus far, everyone fought against me, so it was difficult for me to be convincing. Now everybody has to support me; there is no alternative. This already makes work possible.

[WPROST] French President Jacques Chirac, having made up his mind to clean up after the socialists, has taken steps that are causing a fall in his popularity. He abandoned the policy of creating new jobs in favor of fighting the budget deficit over the next two years.

[Walesa] I will do the same. We have to put four things straight. First,-the economy—namely, the privatization that has not yet been completed. Second, we must systemize the social system, the trade unions included. Third, we have to organize the government administration system. We cannot put up with the situation in which each subsequent government dismisses anyone it wants from the administration. Fourth, we must finalize the self-government reform—namely, give the gminas [smallest administrative units] more money and authority. Am I prepared to put my popularity at stake to introduce order? To crack a joke, there is no threat that I will be reelected. Seriously speaking, the welfare of the nation is more important than my popularity.

[WPROST] You say you are ready to make unpopular decisions. The leftist coalition recently passed a new tax scale and froze the tax rates. Have you decided whether you will veto that decision?

[Walesa] Yes, I am 99 percent sure I will do that. I was convinced in the companies I visited that the new rates do little to help those worse off. They do, however, take a lot away from the most entrepreneurial, who invest their money anyway, develop the economy, and thus indirectly help the weakest.

[WPROST] One of your assets is the popularity you enjoy on the international arena. Aleksander Kwasniewski does, however, mention that the West does not really care much who will be president.

[Walesa] What else can he do? He has to talk that way. He cannot say things will be worse. They have to accept me everywhere because they have no choice. And him? They will ask: "Kwasniewski? Kwasniewski? Oh, yes, the postcommunist..." Gentlemen, who will come to this country then, who will talk to him? I have enough invitations to keep me busy for the next five years. Everybody wants to see the man who overthrew communism. I use this opportunity to get a lot of things done. That is why I stand a greater chance of doing something for Poland. Kwasniewski is still making his way up and will never outdo me. Nobody will because the climate is no longer right. The whole world loves Poland in times of war. Once the war is over and the only issue at hand is money, they love us a little less. Moreover, Kwasniewski is the ideal candidate for those who are against our joining NATO and the EU. They can turn him down, but not me. That is why I am not a very convenient candidate for some forces in the West.

[WPROST] Norman Davies said in an interview for WPROST that "economic reforms in Poland kicked off very quickly, but politics are at a stalemate." Do you share this view?

[Walesa] No. They do not understand us. We came to power as the Civic Committee, without any electoral mandate. I thought certain processes would take place more swiftly, that a middle class would emerge and climb to power via the economy. But that is not how things worked out. New parties are not emerging, the middle class is not climbing to power. That is why we are delayed. Democracy, however, cannot be built from the top.

[WPROST] Could it be that the weakness of Polish democracy is due to the fact that we have a longstanding tradition of operating in the opposition?

[Walesa] There are horses that run races and horses that work. We need horses to work, but the martyrs do not want to leave the stage without a reward. Moses led the Jewish people through the desert for 40 years until the generation that remembered enslavement died. We have neither the desert nor Moses. We will therefore need at least some 15 years to recover from our ailment.

[WPROST] What will Poland be like after 19 November?

[Walesa] Gentlemen, when you come back here for an interview we will discuss this calmly.

UPR Not To Support Either Candidate

LD1611155895 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 16 Nov 95

[FBIS Translated Text] The Union of Real Politics [UPR] has decided not to support either of the candidates in the second round of the presidential elections. The UPR leaders, however, have advised the UPR members and sympathizers not to vote for Aleksander Kwasniewski. UPR Chairman Janusz Korwin-Mikke said that he would be boycotting the elections because Lech Walesa is a populist and Aleksander Kwasniewski is a socialist, which, in his opinion, is more or less the same thing.

KPN Leader Appeals for Support for Walesa

LD1611155595 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 16 Nov 95

[FBIS Translated Text] Leszek Moczulski, leader of the Confederation for an Independent Poland [KPN], has appealed for support for President Lech Walesa in the second round of the presidential elections. The appeal is addressed to all political leaders who originated in the Solidarity movement and to all honest, sensible Poles.

According to Moczulski, this is the only way to prevent a disaster and spare Poland from suffering. Failing to vote for Walesa or abstaining from the vote would mean taking upon oneself the responsibility for the election of Aleksander Kwasniewski. This would mean taking upon oneself the evil that, according to the KPN leader, would afflict Poland and its citizens if the Democratic Left Alliance leader is elected president.

When asked about a letter by Anna Walentynowicz containing questions to Lech Walesa, Moczulski said that one had to be above personal arguments. Today, the supreme objective is Poland and the prevention of Kwasniewski's election to the post of president.

Glemp Asks Priests To Refrain From Electioneering

WS1611151995 Warsaw ZYCIE WARSZAWY in Polish 16 Nov 95 p 3

[Report by "CEG" and the Catholic News Agency: "Primate Glemp: Priests, Do Not Engage in Electioneering, Pray for Walesa"]

[FBIS Translated Text] *The Polish Primate has appealed to chaplains of the Warsaw archdiocese to celebrate Masses for the "the elections, President Walesa, and the entire homeland." The episcopate will not issue any letter before the second round of elections.*

Apart from the Masses for the president and the homeland that are to be celebrated on Saturday, 18 November, the day before the elections, Primate Jozef Glemp is also recommending that Rosaries be said and that Masses be celebrated for the homeland and the elections on election day, 19 November. The primate is asking the chaplains to refrain from electioneering during the Masses.

"An assessment of the public life of our nation compels us to intensify our pleas to God," writes Cardinal Glemp in a letter to the priests in his archdiocese. He also says that "this assessment indicates that religious freedom is threatened because there exists the real possibility that atheists and individuals who do not advocate Christian values and the Polish national tradition will take over all major state offices." However, the primate goes on to add that priests should refrain from electioneering in churches during these Masses.

The Polish Episcopate decided not to issue a special letter before the second round of the presidential elections on the grounds that the two previous letters were very clear and that churchgoers do not need further instructions. Both letters—indirectly, but without leaving any doubt—indicated that the bishops are against Kwasniewski's candidacy.

Many church hierarchs, among them Bishop Tadeusz Pieronek, secretary of the Polish Episcopate, have nevertheless publicly announced they will vote for Walesa in the second round.

Probe Into Kwasniewski's Tax Payments Announced

LD1611151695 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 16 Nov 95

[FBIS Translated Text] Justice Minister Jerzy Jaskiernia said that he will request the main inspector of Treasury tax control to investigate whether Aleksander Kwasniewski paid his taxes for the period 1988-95.

At a news conference in Warsaw, Minister Jaskiernia said that it would take a few more days to clarify whether Kwasniewski had acted unlawfully when he failed to include in his financial assets statement the shares in the Polisa insurance company owned by his wife.

Gdansk Office To Calculate Walesa's Liabilities

LD1611183295 Warsaw PAP in Polish 1456 GMT 16 Nov 95

[FBIS Translated Text] Warsaw, 16 Nov—The press office of the Ministry of Finance announced on Thursday that the general inspector of Treasury control instructed Treasury Office No. 2 in Gdansk to instigate proceedings aimed at establishing the amount of tax liabilities of the president of the Polish Republic.

"On 15 November 1995, the general inspector of Treasury control was notified by Treasury Offices Nos. 1 and 2 in Gdansk that they did not have in their possession any documents to prove that Lech Walesa had paid the equalization tax on the sum of $1 million, which had been a fee received by him in 1989 from the Warner Bros. company as a result of an agreement with that company.

"In this connection and in accordance with the law in force at present, Treasury Office No. 2 in Gdansk will instigate proceedings with regard to the calculation of the tax liability," the statement reads.

Walesa Says Issue of Tax on $1 Million 'Closed'

LD1611180695 Warsaw Polskie Radio First Program Network in Polish 1400 GMT 16 Nov 95

[FBIS Translated Text] President Lech Walesa said at today's news conference, the last before the second election round, that he considered the matter of $1 million, which he received from the Warner Brothers film company, closed.

Marek Karpinski, the president's spokesman, read out a fax sent by the negotiators of the agreement with Lech Walesa. They said in it that all of the tax liabilities had been settled in accordance with the law of the State of California.

Defense Cooperation Accord Signed With Bulgaria

LD1611224495 Moscow ITAR-TASS in English 2041 GMT 16 Nov 95

[FBIS Transcribed Text] Sofia, Nov. 16—Polish Deputy Defence Minister Andrezej Karkoszka and his Bulgarian counterpart Dimitur Mitkov on Thursday [16 November] signed an agreement on cooperation between the two ministries. The document provides for expansion of bilateral ties, military and technical relations.

Bulgaria is to use Poland's experience in modernising its T-72 tanks and the two countries are to work together on laser defence systems.

"We hope that the signed document will help modernise and prolong the life of our tanks till the year 2000," Mitkov stated.

Karkoszka explained that Poland and Bulgaria seek to resume once very close cooperation on healthy commercial terms. He added that Poland is interested in using Bulgaria's experiences in ammunition production.

Karkoszka also met Bulgarian Defence Minister Dimitur Pavlov to discuss NATO's enlargement. Speaking after the talks, Karkoszka stressed that Poland wants to join the European Union and NATO as fast as possible but at the same time, it will maintain best possible relations with those countries that are not seeking the organisations' membership.

Agreement Reached on State Administration Reform

WS1611155795 Warsaw ZYCIE WARSZAWY in Polish 15 Nov 95 p 8

[Report by "MF": "The Government. Reform of the Administration and Economy Center; A Government Chancellery Will Replace URM"]

[FBIS Translated Text] "The government has made unprecedented decisions on the reform of the state administration and economy center. Contrary to earlier expectations, the ministers agreed that their ministries should be dissolved," said Marek Pol, government plenipotentiary for the Central Administration Reform. If the Sejm approves the packet of 11 statutes passed yesterday, the reform will be launched next year. Six institutions will be dissolved: the Ministries of Housing, Ownership Transformation, Foreign Economic Cooperation, and Industry and Trade, as well as the Office of the Council of Ministers [URM] and the Central Planning Office. Four new ministries will be established: State Treasury, Privatization, Economy and International Trade, and a public administration. As a result of the reform, some 300-500 persons will lose their jobs.

The minister of the State Treasury will guard state interests. One of his chief functions will be to keep a record of State Treasury assets. The government delegated its proprietorship rights to the majority of state companies to voivodes. The prerogatives of the privatization minister are to be far wider. The privatization authority that has been thus far dispersed among several ministers will now rest in his hands. He will also take over all of the functions of the current minister of ownership transformation.

The minister of the economy is to avoid direct involvement in the economic activities of companies. He will be the governmental overseer of the national economy, a function that is currently performed by several ministers. Artificial divisions into those responsible for the domestic economy and foreign trade will disappear.

A governmental Center for Strategic Studies is also to be formed. Pol claims that institutions of this type have proved useful in developed countries. The center is to develop strategic programs, development projections, long-term socioeconomic programs, and land-use management concepts that it will submit to the Council of Ministers. The center will also monitor the condition of the national economy.

The statutes systemizing the functioning of the economy that have been adopted by the government provide for, among other things, the curbing monopolist practices, protection of consumers, and swift privatization. The housing industry is to be taken under special care.

General Wilecki's Dismissal 'Speculated' About

*WS1611154395 Warsaw TRYBUNA in Polish
16 Nov 95 p 1*

[Article by "MAT": "Wilecki To Leave the Army?"]

[FBIS Translated Text] The possibility of dismissing General Tadeusz Wilecki, chief of the General Staff of the Polish Armed Forces, is being speculated about. The president, as chief commander of the Armed Forces, is not satisfied with the results of the first round of presidential elections in districts inhabited predominantly by servicemen and their families. In the vicinity of the General Staff Academy—in Rembertow, near Warsaw—146 people voted for Walesa as compared with 1,683 votes cast for Kwasniewski. Results were similar in the "green garrisons": In Orzysz, Kwasniewski got 570 votes and Walesa a mere 146. In Zagan, where Gen. Wilecki began his military career, Kwasniewski netted twice as many votes as the chief commander of the Armed Forces.

Recent polls carried out by the Center for Research on Public Opinion [OBOP] show that as many as 92 percent of servicemen and policemen intend to vote for Kwasniewski, and only 8 percent of this community will support Lech Walesa.

Leaders of the Freedom Union [UW] are demanding that Gen. Wilecki be dismissed. The UW has been criticizing the chief of General Staff for quite some time now for his statements on civilian control over the Army, an issue the party finds very important. Gen. Wilecki's head would thus be the price for the support UW lent to Walesa.

Talks on Basic Treaty With Ukraine Resume

AU1711125195 Bucharest Radio Romania Network in Romanian 1100 GMT 17 Nov 95

[FBIS Translated Text] Today in Bucharest the Romanian-Ukrainian negotiations were resumed, which are to be continued tomorrow as well, by delegations of the foreign ministries of the countries led by the first deputy of the [Ukrainian] minister, Anton Buteyko, and [Romanian] State Secretary Marcel Dinu.

A communique issued by the Ukrainian Foreign Affairs Ministry points out that these are supplementary consultations on formulations in the preamble and Article 2 of the draft basic political treaty between Ukraine and Romania. The formulations refer to the acknowledgment of the territorial integrity and inviolability of the Ukrainian-Romanian border, as well as the lack of territorial claims of the parties with respect to each other.

The purpose of the consultations is to definitively confirm the formulation of the aforementioned elements, and break the deadlock in the negotiation process between the two countries, adds the communique.

Tinca Reveals MiG-23's Being Repaired in Bulgaria

AU1711120195 Bucharest EVENIMENTUL ZILEI in Romanian 13 Nov 95 p 6

[Article by Doru Dragomir: "According to Defense Minister Gheorghe Tinca the Romanian MiG-23 Airplanes Are Being Repaired in Bulgaria"]

[FBIS Translated Text] On Friday [10 November] evening, upon return from an official visit he paid to Bulgaria at the invitation of his counterpart, Minister of National Defense Gheorghe Tinca said: "Maybe I should tell you that the reason for this visit, certainly shared by the Bulgarian side as well, was that both we and they are focusing on developing relations with other armies that are located farther from our region. This is a positive thing; however, we have somehow neglected the relations between us, mainly the neighborly and the good-neighborly relations.

"I believe that the year 1996 will mark a step forward on the path of reinvigorating these relations. I hope that they will be more active.

"Today I visited an airplane repair factory in Plovdiv. I saw a few MiG-23 airplanes that belong to the Romanian Air Force, which are being repaired there and, most likely, we will send other planes if we have the necessary financial means for it. We will examine the possibility of having some joint drills, the way we had with the Hungarian soldiers."

Former DIE Officer Reveals Espionage Activity

AU1711123895 Bucharest ZIUA in Romanian 7, 8, 9 Nov 95

[Interview in three installments with former DIE officer Didi Secrieru by Liviu Valenas; place and date not given: "Former Intelligence Officer Didi Secrieru Reveals Sensational Things"]

[7 Nov p 2]

[FBIS Translated Excerpt]

Mircea Cosea, Teodor Melescanu, Misu Negritoiu, and Viorel Catarama Used To Be Covert DIE Officers

Until 1989 Didi Secrieru, an expert at the DIE [former Foreign Intelligence Directorate], used to work for the Foreign Trade Ministry, within the Arpimex company. Between 1990 and 1992 he was an employee of an import-export company operating in Budapest. In 1992 he returned to Romania, becoming the director of the Maier company, a post that he held until 1994. In 1990, Petre Roman [the then prime minister] offered him the post of trade minister, which he turned down. This interview was published by the publication TIMISOARA.

[Valenas] Mr. Secrieru, is it true that before 1989 the Foreign Trade Ministry used to be a "branch" of the Foreign Intelligence Directorate (DIE) belonging to the Securitate?

[Secrieru] Your question, which is very direct, requires a more detailed answer. Generally speaking, the entire Foreign Trade Ministry used to be under the strict control of the Securitate. However, only certain foreign trade companies, which were carrying out special operations for the DIE, used to work solely for the State Security Department [DSS]. Most of the leaders of various foreign trade sectors and companies used to be covert DIE officers. That is, starting with the general directors of foreign trade companies and ending with the people in important positions, they were all DIE officers. Those who held no major offices, but had access to secret documents were also covert DIE officers. [passage omitted]

The DIE Structures Still Exist Today, But Now They Are Under the Patronage of the SRI

[Valenas] Do you believe that this system of using Romanian foreign trade people for espionage activities ended after 22 December 1989?

[Secrieru] No, it did not. The old DIE structures still exist today. But, obviously, they have adopted a different name for absolutely the same kind of activity. Other structures even kept their old names (ICE [Foreign Trade Company] Carpati, for instance,) but these have a somewhat more limited activity within the domain of espionage. The Romanian foreign trade companies are still operating in the foreign intelligence-gathering field, but now their patron is not called the DIE, but rather the Romanian Intelligence Service (SRI).

[Valenas] Do they not work for the Foreign Intelligence Service (SIE)?

[Secrieru] The one that continued the DIE's activity was not the SIE, but rather the SRI.

There Are No Reformers in the Vacaroiu Cabinet

[Valenas] Mr. Secrieru, I suggest that we broach a different subject. On very many occasions the Romanian press has pointed out that "the reformers in the Vacaroiu cabinet used to belong to the DIE," while "the conservatives come from the former State Planning Committee." What is your opinion on these assessments?

[Secrieru] In my opinion they are sheer nonsense. It is quite obvious that in the Vacaroiu government there were and still are certain members of the former DIE, such as Misu Negritoiu [presidential aide], Mircea Cosea [chairman of the Council for Economic Coordination, Strategy, and Reform, and "father" of the current privatization program], Teodor Melescanu, and others. On the other hand, however, it is also obvious that in the Vacaroiu cabinet there are no authentic "reformers" whatsoever. If the press still tries to identify them, the question that they should ask themselves is how these people manifest themselves with respect to establishing a genuine market economy. In our country, now, six years after the 1989 December events, one cannot speak of any market economy, privatization, or reform. [passage omitted]

[8 Nov p 3]

[FBIS Translated Excerpt]

The Vigor of the Paunescu Clan Comes From Ceausescu's Secret Accounts

The Opposition Is Being Divided by Former DSS Personnel

[Valenas] I suppose that former DIE people have also infiltrated among the opposition parties....

[Secrieru] Of course they have! And not just those of the DIE, but also those who used to work for the other DSS directorates. The purpose of this massive infiltration is to disorganize and split up the opposition, and, of course, to keep it under their full control! This accounts for certain blunders by the opposition, which have dazzled Romanian public opinion, and certain acts running counter to democracy and market economy undertaken by some of the opposition parties. As long as the opposition does not manage to get rid of this massive infiltration, it will continue to be what it is right now, namely, a formal, circumstantial opposition.

[Valenas] The Social Dialogue Group (GDS) periodically organizes rountables on reform and invariably invites former DIE officers (Negritoiu, Cosea, Daianu, and others) as guests, in their capacity as economic experts. Does Romania have any economic experts other than those who come from the former DIE?

[Secrieru] You see, the truth is that before 1989 the people trained in the fields of foreign trade, finance, marketing, and so on, were compelled, one way or another, to collaborate closely with the DSS, many of them becoming covert agents, especially within the DIE. It is sad but true that before 1989 most people trained in economics or trade were lured by the Securitate. Currently the same people cannot be regarded as belonging to the same bunch any more. One part of them, the first category, I would say, is now sincerely trying to serve the interests of Romania, that is, our passage to a genuine private market economy and an authentic democratization. Thus, this first category of former DIE collaborators is now sincerely struggling for genuine reform and wishes to obliterate the past. However, there is also a second category, who, having noticed what is going on under the facade of the so-called transitional period, thinks in terms of their own pockets and are therefore working to the benefit of the current authorities.

The Great Fortunes in Romania Come From Securitate Funds

[Valenas] Immediately after the revolution, despite the fact that there was no influx of foreign capital, there appeared huge fortunes in Romania, which later evolved into great indigenous financial and economic empires. How did those fortunes appear so suddenly?

[Secrieru] This is a very good question. Indeed, there do exist such large fortunes, but they did not appear from nowhere. Their owners might say, as some of them indeed do say, that "we all started from zero back in 1989, but I managed to make a timely start and, as I am very well trained, I managed to set up a business that proved to be very complex and very profitable!".... I categorically do not believe any such explanations! If one was to rely solely on one's miserable salaries as they were in 1989, one could manage to engage in such businesses solely with the help of large bank loans. But no such loans were possible after 1989. The explanation for such huge fortunes should be sought in the fact that after 1989 the old structures were not eradicated, and I am referring especially to the DSS structures, and in this way their entire portfolio of relations could be fully preserved, including in the areas of banking and credit. All the assets available there were and are still channeled solely toward people who used to work for the DSS. But these great fortunes do not stem solely from such loans. Before 1989 the DSS used to have absolutely immense assets in hard currency, most of which had been deposited abroad. After December 1989 these funds were channeled toward certain people and certain clans who used to be part of the system and who used to be very loyal to the old system. So this is the essential element that explains why certain people became rich beyond all imagination. We in Romania did not set up a system in which everyone could start with equal chances. After 1989 certain members of the Securitate and the PCR [Romanian Communist Party] benefited from secret funds that had been deposited abroad before the events took place. In addition, those people utilized the entire scale of relations, at all levels, that they had developed before 1989, including their commercial relations with partners in the West.

DIE Colonel George Paunescu Was in Charge of the Italian Sector

[Valenas] Could you mention some companies or individuals who benefited from the redistribution of the secret funds that had been deposited abroad by the Securitate or the PCR?

[Secrieru] There are many such people and clans. I cannot list them all here. But it should be enough if I mention the Paunescu brothers' clan. The head of that "family" (George Paunescu) [businessman and owner of daily CURIERUL NATIONAL] is a former DIE colonel, who before 1989 used to be in charge of the Italian sector. I can also mention Viorel Catarama, who used such secret funds to found the prosperous Elvila company; another one is the Transylvania General Import Export company of the Micula brothers (who merely act as a front for the Securitate, which has thus become the owner of one of the largest companies in Romania, which comprises a factory for strong alcoholic beverages, hotels, restaurants, and other assets.) [passage omitted]

Operation No. 1—Ceausescu's Secret Accounts

[Valenas] Let us now talk about their "old master," Nicolae Ceausescu and his secret accounts. Did such accounts really exist?

[Secrieru] These accounts did exist! There are very few people left who know that during the 1980's there was the so-called Operation No. 1, which was carried out exclusively in the field of Romanian foreign trade. The majority of employees in that field were not aware of the existence of that operation, and even those who knew about it had no knowledge about the final destination of the money that was being redirected in that way. [passage omitted]

The most simple method to redirect money to the so-called Ceausescu accounts was to fiddle around with prices. The company that I used to work for, ICE Arpimex, including its branch in the United States, called Tomis, asked its U.S. clients to pay $7.00 into the Arpimex account for every $8.00 that they owed and $1.00 into a different account, which was not known to the Romanian Foreign Trade Bank, that is, a secret account.

[Valenas] In whose name was this account?

[Secrieru] Actually it was an intermediary, transit account, and therefore no one knew where the money finally ended up. It was a very simple and also a very efficient system.

Misu Negritoiu Directly Participated in Operation No. 1

[Valenas] The director general of the Tomis company used to be Misu Negritoiu, currently one of Ion Iliescu's aides. Was Negritoiu aware that money was being embezzled and put into Ceausescu's accounts?

[Secrieru] Misu Negritoiu was not merely aware of it, but he also directly worked on Operation No. 1. I mean, if today in Romania they are looking for someone to blame, more precisely someone who can be held responsible for the embezzlement of funds that actually belonged to the Romanian Government and were redirected to Ceausescu's accounts, well, one of these responsible people's name is Misu Negritoiu, who currently works for the Cotroceni Palace! Back in 1993 the press accused Negritoiu of having worked for the meanwhile defunct DSS. At that time he denied the allegation, but, as it happened, in rather an awkward way. Being cautious, his masters moved him from the Vacaroiu cabinet, where he used to be the reform minister, to Cotroceni, where he acts as a kind of adviser to Ion Iliescu. Well, Misu Negritoiu need not deny his affiliation with the DSS, because I, as one of his former colleagues, can state with certainty that he used to be a covert DIE officer and, if my recollection is correct, in 1989 he used to have the rank of DIE colonel.

[9 Nov p 2]

[FBIS Translated Excerpt]

The SRI Consists of the Most Incompetent Securitate Employees

The More Capable Ones Were Hired by Another Secret Service

[Passage omitted] [Valenas] How much money was there in these accounts?

[Secrieru] About $2-3 billion, rather closer to $3 billion. As far as I know, it was an appalling amount, which was never aired abroad.

[Valenas] And what happened to the money in Ceausescu's accounts?

[Secrieru] He had his money deposited in accounts abroad, under the names of certain very well verified people, usually employees of foreign trade companies (the Ridgenet company, for instance). But he also had money in the "President's Account" at the BRCE [Romanian Foreign Trade Bank], which was also under the name of other well verified private people, whom they kept under control. I do not think that all the money was recovered.

Naturally, the banks keep the names of the depositors secret. But as I have already said, Ceausescu did not deposit his money under his own name but in those of other people, and the latter have concluded a pact with the current authorities, and in this way, one part of Ceausescu's money was recovered as early as in 1990!

Ceausescu Clan Money Was Used by the Authorities in the Electoral Campaign

[Valenas] The money was spent on various things. A large part of it went on financing certain so-called private companies. Another part was spent financing the authorities' electoral campaign in May 1990, to rig the election results and finance the FSN [National Salvation Front, the then ruling party]. In connection with the "private" companies that were financed from Ceausescu's accounts, I have to point out that they are merely fronts, behind which the genuine owners, the genuine patrons hide!

[Valenas] But who are these genuine patrons?

[Secrieru] They are the people who after 1989 seized power in the government and the presidency.

[Valenas] But these mammoth companies are merely the tentacles of the octopus, while the head is represented by the "former" Securitate, the current SRI.

[Secrieru] In my opinion, there are two distinct elements here. They are, on the one hand, the current SRI, which now tries to appear as—how should I put it?—as a "good fairy," pretending to be acting solely for the benefit of democracy in Romania, and, on the other, the Securitate as it used to be before. The thing is that the Securitate has split into two: the current SRI and those who have allegedly retired, but who, according to information that I have, are still active. And in my opinion, they work more efficiently than the current SRI! It is quite obvious that the people who until 1989 used to head the important intelligence networks now control the SRI. But this does not mean that the SRI is innocent, that "it has to live with this heritage," or that it, poor soul, has no choice but to cooperate with the former Securitate employees.... Returning to your question, yes, the head of the octopus is the "former" Securitate, with the sole correction that it is a two-headed leadership, consisting of the SRI and the other part of the Securitate!

[Valenas] Could one divide the current Securitate in Romania, that is, the SRI and the rest of the secret services, into two separate classes, namely, the "nationalistic" branch and the pro-KGB branch?

[Secrieru] No! Before 1989 the Securitate used to function as a quite unitary apparatus. There was only a small part of the Securitate working for the KGB, a tiny little part, and they did it individually. In my opinion the Securitate has remained intact, but it has split into two branches running in increasingly different directions. The more competent employees, regardless of whether they reached retirement age, stayed out of the SRI and were later taken on by the other Romanian secret services, while the more incompetent ones in March 1990 set up the SRI. [passage omitted]

Romanian Foreign Trade Still Serves as a Cover for Spies

[Valenas] We have talked a lot about what Romanian foreign trade was actually used for before 1989. But is foreign trade still being used as a cover for espionage activities on the territory of other countries and for embezzlement activities?

[Secrieru] The old system was not destroyed, but merely partially disabled. Therefore, it has managed to rebuild itself by reviving those nuclei and circles that used to work so successfully before 1989. This is why I believe that the old state of affairs in Romanian foreign trade has returned totally. Unfortunately.... [passage omitted]

Senate Asks Vacaroiu To Explain Currency Fall

AU1611132595 Bucharest Radio Romania Network in Romanian 1100 GMT 16 Nov 95

[FBIS Translated Text] Prime Minister Nicolae Vacaroiu, Finance Minister Florin Georgescu, Romanian National Bank General Governor Mugur Isarescu, and FPS [State Property Fund] President Emil Dina were summoned to the Senate on Tuesday, 21 November, to present to the plenum of that chamber the reasons for the savage fall of the national currency, as the majority of the senators, regardless what their political color are calling it, as well as the measures that they have taken to contain this situation.

This decision was taken after long hours of heated debates on the enlarged Senate Standing Bureau proposal to postpone discussions on the government's monetary policy in a joint permanent session. The postponement was proposed so as to grant the legislators sufficient time to make the correct decisions, reports our correspondent Gabi Benescu.

The senate then went on to discuss and pass articles of the draft bill on the organization and functioning of the consumer and credit cooperative network.

The next senate plenary session is scheduled for Monday [20 November] at 1500 hours.

On Wednesday, 22 November, the parliamentary chambers are to meet in a joint session. Among other things, the agenda includes the oathtaking ceremony of certain new members of the Romanian Radio Broadcasting Company Administration Board, discussions on the draft decisions that resulted from the debates on the report of the joint inquiry panel investigating the granting of apartments to certain dignitaries, as well as discussions on the report on how the Romanian Intelligence Service has carried out its duties, as stipulated by law, to protect the country's national security in the period between October 1994 and September 1995.

In the conclusion of today's session, PL '93 [Liberal Party '93] Senator Andrei Potcoava presented the plenum with a simple motion signed by 50 legislators, admonishing the executive for not having printed and distributed among the citizens their electors' booklets.

Kucan Views War in Bosnia, Meets With Chirac

AU1611171595 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 16 Nov 95

[Report by Edo Zitnik from Paris]

[FBIS Translated Text] In today's address [at the celebration of the 50th anniversary of UNESCO in Paris], President Kucan said that peace among countries and nations, as UNESCO's basic mission, is still alive. For that reason, it is also our duty to work jointly for the end of the war in Bosnia-Herzegovina. In his address, our president said that a narrow perception of the war in Bosnia-Herzegovina did not help clarify its true reasons. Unfortunately, certain things have happened over the past four years that could not be ignored. Ethnic cleansing has accomplished its goal, and there has also been a civil war underway in Bosnia. According to Kucan, it would be a great achievement if the peace process were to result in the end of the war and, afterward, a peaceful decision on whether it made any sense at all to think about the existence of the Bosnian state. He also voiced the belief that Slovenia could maintain a critical stance toward UNESCO. According to Kucan, UNESCO, too, should constantly reaffirm its raison d'etre as it would otherwise be threatened by internal bureaucratization.

None of the speakers before Kucan mentioned the protection of minorities. This is ascribed to the fact that minorities as a phenomena are disturbing in international relations. After his official address, Kucan also pointed to the signs of intolerance toward the minorities in Slovenia. As he said, at the moment, we cannot break free from the situation into which the conflict with Italy has led us. According to Kucan, we need a firm national consensus that we want to join the European Union. Here, we must know precisely what is the price of the European Union, not only in relation to Italy, but in general. According to Kucan, Slovenia must recognize that the European Union is in our interests.

Yesterday, the president held a brief and, as he said, important meeting with French President Chirac. The meeting reportedly confirmed our expectations that, in the future, we would continue to maintain as good relations as we had with Former President Mitterand. Kucan was supposedly given assurances that France will not forget us in the new circumstances in southeast Europe. Supposedly, we can also count on Chirac's support in our formal rapprochement with the European Union.

Thaler Discusses Ties To EU With Solana

AU1611203295 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 16 Nov 95

[FBIS Translated Text] Foreign Minister Zoran Thaler met with Spanish Foreign Minister Javier Solana in Madrid today. They discussed bilateral contacts and relations between Slovenia and the European Union. As the hosting country, Spain has officially invited Slovenia to attend a Euro-Mediterranean conference in Barcelona at the end of November. The conference will be attended by EU members, Mediterranean countries, and EU associate members. Slovenia, the United States, Russia, and Albania will attend it as the interested countries.

During the debate on bilateral issues, the ministers determined that the political and economic relations between the countries have been developing very favorably. They also studied the possibilities for signing an agreement between Slovenia and the European Union. Minister Thaler briefed his Spanish colleague on the history of the Italian obstruction of the process of our accession to the European Union. He also pointed to the fact that Slovenia was paying regularly the compensation originating from the Rome Treaty to a bank account in Luxembourg. Thaler also said that the signing of the European Agreement would ease tensions, allow the continuation of the process of harmonization of the Slovene legislation with the European, and leave political issues for the period of the ratification of the agreement.

Spanish Minister Solana assured Thaler that, in the few remaining weeks that Spain is the chairman of the European Union, it will try to achieve the removal of obstacles for the signing of the agreement between Slovenia and the European Union.

TANJUG: 'Remnants of Yugoslavism' To Be Purged

LD1511175595 Belgrade TANJUG in English 1426 GMT 15 Nov 95

[By Igor Saranovic]

[FBIS Transcribed Text] Ljubljana, Nov. 15 (TANJUG)—The intolerance of Slovenes towards non-Slovenes, which goes back a long way, has received political support by the Slovenian parliament.

The nationalist right-wing bloc claims to have collected half of the necessary 40,000 signatures for calling a referendum on depriving non-Slovenes of Slovenian citizenship.

Members of other nations, numbering more than 160,000, primarily from the former Yugoslavia, thus bear the brunt of organized, unabashed pressure of national intolerance.

Slovenia was part of the former Yugoslavia until 1991, when it seceded by force. Many analysts blame Slovenia for the break-up of Yugoslavia and the ensuing civil war.

The possibility of taking away citizenship on a national basis under the veil of a referendum, was permitted by a parliament decision in October, with a prerequisite of 40,000 signatures.

Members of parliament had not the enough strength or desire to oppose the most far-reaching campaign against non-Slovenes so far.

The aim of the campaign is an ethnically pure state, although its current leaders gave strong guarantees for all rights to national minorities, as a reward for supporting the secession.

Several party leaderships and political leaders, including Slovenian President Milan Kucan, opposed the inflamed chauvinist passions.

The referendum was condemned by the chief partners of the ruling coalition, the Liberal Democratic and Demo-Christian Parties, and the United List (former communists), then, diffidently, by Prime Minister Janez Drnovsek and some other influential politicians.

Intellectuals, artists and writers were not heard.

The conception, approved by most of the public, is to ethnically purge Slovenia from 'remnants of Yugoslavism'. The standard-bearers did not flinch from warnings by influential political factors and human rights institutions in many European countries.

Political analysts said the signatures needed to call a referendum would undoubtedly be collected.

The branded non-Slovenes await confounded in expectation of a true reaction from democratic Europe.

Federal

U.S. Domestic 'Conflicts' Pressure Dayton Talks

AU1611202395 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 16 Nov 95

[Report by Zoran Jevdjovic]

[FBIS Translated Text] Bilateral consultations have resumed in Dayton to overcome the differences surrounding some of the remaining open issues connected to the future of Bosnia. These, primarily, involve the status of Sarajevo, certain exchanges of territories, and sections of some constitutional principles. In this respect, we can expect numerous meetings of the U.S. mediating team, headed by Richard Holbrooke, with the chiefs of delegations today, as well as talks of our expert team with the U.S. experts for certain departments. As the talks have entered into the final phase, all the participants are trying to find common ground, bearing in mind that all those present here, with the exception of the Muslim side, wish to complete the talks successfully.

In principle, the Serbian and Croatian sides share identical interests regarding the future of the common functions in the Bosnian union, while one can say that the U.S. negotiating team is under pressure from the domestic political conflicts between the Republican leaders of Congress and President Clinton and, as a result of this, Richard Holbrooke, as the head of the U.S. negotiating team, is in a situation where he wants a successful completion of the talks at all costs. A failure of the U.S. negotiators would serve as another good reason for attacks on President Clinton and his policy by the leaders of Congress, and all this before the upcoming election year. It is in this light that one could also view the decision of Secretary of State Christopher to cut short his visit to Japan and return to Dayton over the weekend.

Serbia

Minister Notes Criteria for Privatization

LD1711122795 Belgrade TANJUG in English 1029 GMT 17 Nov 95

["Ecopool" item]

[FBIS Transcribed Text] Vranje, Nov. 17 (TANJUG)—Privatization can only be a mechanism for the creation of an effective economy which can meet the sharp international competition, Serbia's minister Dragan Tomic has said.

The minister coordinator said during a visit to the 'Zavarivac' factory in Vranje, southern Serbia, that a transformed economic structure must secure stepped-up economic and overall social development, higher employment and better living standards.

Tomic told his hosts that no economic facility with a chance of successfully doing business on the domestic and foreign markets should be shut down.

He said Yugoslavia must avoid the negative experiences of transition countries whose economies had suffered heavy damages due to overly fast privatization processes.

'A chance should be given to each firm to transform itself in keeping with market conditions into a more or less efficacious firm or into a bigger one,' Tomic said.

He set out that Serbia's government 'will under no circumstance agree with the approach according to which a firm's current and past employees do not have a large share of ownership.'

He have more than one variant which would secure that the employees and pensioners or their children have a share in owning a firm on a realistic basis, Serbia's minister coordinator said.

He set out that the value of each enterprise's capital would be evaluated and that the value would not be a simple sum of the values of a firm's machinery and equipment, its production halls, business offices and the like.

Tomic said the value would be determined in line with the valorization of its business potentials. He set out that it would not be permitted that a firm's value be underestimated, which he said would mean the transfer of social property into private hands.

'It is for that reason that I view as wrong the projections according to which transition is to be carried out in a period of six months or a year,' Tomic said.

'Privatization is still underway in Italy, Switzerland, Germany and other countries. Why should then someone want our privatization to be done in six months,' Serbia's minister coordinator set out.

JUL Leaders Comment on Privatization Proposal

AU1711075995 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 16 Nov 95

[Report by Dusko Petrovic on a meeting of the caucus of the Yugoslav Left Directorate with FRY National Bank Governor Dragoslav Avramovic in Belgrade on 16 November—recorded]

[FBIS Translated Excerpt] The purpose of today's talks, said Ljubisa Ristic, president of the Yugoslav Left

[JUL], is to exchange views and opinions about the concept of the future development of society, and especially the economy, to jointly form the goal that would lead toward the social betterment and prosperity of the entire country. The Yugoslav Left has its economic and social program, however, the current moment, which entails peace for the territory of the earlier Yugoslavia, is also changing the direction of JUL's activity on social and economic issues and their successful resolution. What is incontestable among us, Ristic said, is the need to preserve the functions of the public property [drustvena svojina] because this, as he said, at the same time also means the protection of human and civic rights. Simultaneously, JUL favors a social order that will allow for society to be richer while social functions will be preserved and realized.

Governor Dragoslav Avramovic underscored the results achieved in the initial phase of the realization of the program of economic recovery, pointed to the great problems in its realization, particularly this year, and spoke about the second phase of the program, which, according to him, entails the opening of the Yugoslav economy toward the world and the property transformation, coupled with the market exchange rate of the currency, the reduction of internal restrictions, taxation, and customs barriers, and maximal support for the export-oriented economy and the import of vital goods to boost production, employment, and foreign currency reserves.

Speaking about the property transformation, the governor spoke about stock-holding companies in which workers and the pension funds, that is, the pensioners, would receive at least 50 percent of the stocks. The governor is of the opinion that the opening and the liberalization of the economy and the structural transformation parallel to the lifting of sanctions are the basic preconditions for rapid progress and development.

JUL President Ljubisa Ristic added here that the idea of socialism has not been lost forever, but, on the contrary, the basis for the continuation of a struggle for a society of justice and freedom exists in our country. [passage omitted]

Today's talks at the JUL Directorate in Belgrade passed in an open, constructive, and fruitful atmosphere and the exchange of opinions, all with the goal of making a contribution to the formation of a concept of economic policy and development.

Concluding today's talks, Dr. Mira Markovic, president of the JUL Directorate, stressed that there has been a lot of talk of transition, transformation, and privatization over the past month and a half, however:

[Begin Markovic recording] I, personally, believe that, instead of all these expressions, we should really use the term regulation of property transformation [uredjenje svojinskih odnosa]. Regarding this regulation of property relations in Yugoslavia, I would point out only three facts, which, it seems to me, are not at all or not sufficiently present in this great debate.

The first fact, which is undisputed, is that the property relations in the Yugoslav society are currently in harmony with the Yugoslav Constitution and that any radical change of these property relations would involve a change of the Constitution. Therefore, we cannot carry out any radical property changes in property relations if we do not change the Constitution first.

The second fact is that the change of property relations and their resolution is not an economic or an expert issue at all. This is a political issue, furthermore, the most important political issue. This political issue means the following: Property relations are transformed in harmony with the concept of society that a certain society advocates. Therefore, depending on what kind of society we advocate, we will also regulate the property relations within the society. Numerous mechanisms that allow property transformation in harmony with the concept for which the society has opted come last.

I must say that in our, Yugoslav, society, we are witnessing an absurd situation. The entire society is discussing mechanisms and ways of carrying out the transformation of property relations, however, prior to this, we have failed to define the political goals toward which the society as a whole should strive. Therefore, instead of first defining the character of the society for which we will strive, then defining the nature of property relations that will allow us to establish such a society second, and defining the economic and other mechanisms that will allow us the realization of such property and political goals last, we concern ourselves with mechanisms when we have not yet tackled the issue of social goals.

The third fact is the enormous field of social changes that will ensue with the change in property relations. [end recording]

Montenegro

Closer Relations With U.S. Rile Belgrade

AU1611190295 Paris AFP in English 1857 GMT 16 Nov 95

[By Milan Dragovic]

[FBIS Transcribed Text] Belgrade, Nov 16 (AFP)—Montenegro's attempt to woo the United States has riled

Belgrade which sees it as a blatant attempt at autonomy by the small republic, which, together with Serbia makes up rump Yugoslavia, observers said Thursday.

Montenegrin Prime Minister Milo Djukanovic has just completed a 10-day visit to the United States during which he said he would make the Adriatic port of Bar available to NATO for its future peace mission in Bosnia-Hercegovina.

"It is not a question of setting up NATO in Montenegro: it is a concrete contribution to peace, and also a good commercial deal for the port of Bar, which has been closed for three and a half years," because of the embargo against Serbia and Montenegro, Djukanovic said Wednesday on returning from the United States.

He maintained it was legitimate for the Montenegrin government to take this kind of initiative, and therefore had not considered it worthwhile to ask Serbian President Slobodan Milosevic for approval.

As a clear sign of mounting tension between Belgrade and Podgorica, capital of Montenegro, news media which side with Milosevic gave the visit of Djukanovic, accompanied by Montenegrin parliament speaker Svetozar Marovic, hardly any publicity.

The Belgrade daily Novosti went as far as to question whether the Montenegrin visit was not comparable with "that carried out by Slovenia (at the beginning of the 1990's) at the start of the breakup of the former Yugoslav federation."

Marovic retorted: "To take care of your own needs does not signify being prejudiced against others...This visit aimed to contribute to Montenegro's prosperity and therefore, to the prosperity and development of democracy in the FRY," the Federal Republic of Yugoslavia.

Djukanovic denounced Belgrade's attempt to sabotage his delegation.

"We would only embitter relations (between Podgorica and Belgrade). The obstruction from Yugoslavia is a form of self-destruction of Yugoslavia," he said.

The Montenegrin premier said his visit "as a first step towards the opening of Montenegro towards the United States, which is essential to its integration in the international community."

He added that he had discussed with the U.S. the possibility of opening a US consulate in Podgorica.

And that the U.S. had "fully supported the plans for developing Montenegro, especially its privatisation process."

"That opens up good prospects for aid from the International Monetary Fund, from the World Bank and from U.S. financial institutions," he added.

Tensions between Serbia and Montenegro, which differ on foreign policy and on the process of transition towards a market economy, are increasingly palpable, with the movement towards a peace agreement in Bosnia-Hercegovina.

In September, Djukanovic clashed with federal Yugoslav authorities in Belgrade when they sought to control taxation by Montenegro of fuel and other illegally imported goods.

Kosovo

Federal Interior Minister Meets Local Commanders

AU1611171995 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 16 Nov 95

[Report on a visit by FRY Federal Interior Minister Vukasin Jokanovic to Pristina on 16 November, by Milisav Milic—recorded]

[FBIS Translated Text] In the talks with the representatives of the Kosovo district and other state services and offices of the local self-management, Vukasin Jokanovic emphasized that the fundamental task of the internal affairs' services was to continue providing and guaranteeing full personal and material security to all residents in this area, regardless of their national, religious, or political denomination.

Milos Mesovic, deputy commander of the Kosovo district, and other representatives of the authorities informed the federal minister about the functioning of the state services and local self-management, as well as the efforts that are being made in the reception and accommodation of the refugees from the Republic of Serb Krajina, of whom, as it was reported, there are slightly more than 9,000 on the territory of Kosovo and Metohija. It was assessed that the security situation in the Kosovo district and in the entire province is stable and that the interior affairs' services are performing their tasks successfully and in compliance with the Constitution and the laws.

Vukasin Jokanovic voiced conviction that a sound agreement will be reached in Dayton which will bring peace to all territories of the former Yugoslavia and that this will create important preconditions for an even more security and a stable political situation in our country.

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